



REDEVELOPMENT AGENCY

MEETING DATE: *April 7, 2004*

ROYAL COURT HOUSING PROJECT WORKSHOP

RECOMMENDED ACTION(S): Provide direction on the development concepts for the Royal Court Housing Project.

EXECUTIVE SUMMARY: In December 2002, the Redevelopment Agency (Agency) approved the concept of developing a mixed ownership/rental housing project with a commercial element at the current location of the Royal Court Apartments on Monterey Road. In May 2003, the Agency approved a \$3.75 million loan to South County Housing (SCH) to purchase the four parcels comprising the site. Those parcels encompass 4.74 acres and contain three houses and the 10-unit Royal Court Apartments (formerly, the Royal Motel). At that same May meeting, SCH presented a conceptual site plan containing 13 ownership units, 42 apartments and a commercial building of approximately 5,000 square feet. The Agency directed SCH to increase density and to attempt to acquire adjoining property to make the site a better planned development.

SCH has since developed a site plan consisting of sixteen 3-bedroom ownership townhouses to be built along Del Monte Avenue; approximately 5,000 square feet of commercial along Monterey Road; and, a denser core of 46 apartments in the interior portion connecting those two sections. A variation of the plan shows a total of 52 apartments with six units over the commercial building.

However, the recent historical survey of the Royal Court Apartments found the site to have historical significance. It appears the Royal Motel is representative of motor courts which were precursors to motels. This finding leaves SCH and the Agency with three potential courses of action: 1) Restore the exterior of the motel and redesign the project to incorporate it into the project as residential or commercial; 2) move/renovate the motel to a more rural setting along Monterey Road and proceed with the project as originally planned; or, 3) conduct a full-blown EIR to determine if the City has "overriding concerns" which would permit the demolition of the motel.

At the workshop, SCH and staff will provide the Agency with the following information for discussion:

- Conceptual site plan incorporating the Royal Motel into the project
- Conceptual site plan without the Royal Court Apartments (Royal Motel)
- Cost estimates of the presented concepts
- Status of efforts to purchase adjacent properties
- Potential impacts of RDCS on the schedule
- Potential zoning issues
- Preferred site plan

With the Agency's feedback on the above issues, we would proceed to develop the final site plan for the project.

FISCAL IMPACT: None

Agenda Item # 1

Prepared By:

BAHS Analyst

Approved By:

BAHS Director

Submitted By:

Executive Director



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

GENERAL FUND RESERVE INVESTMENT GUIDELINES

RECOMMENDED ACTIONS:

Refer preliminary "General Fund Reserve Investment Guidelines" to the Economic Development Committee for their consideration.

EXECUTIVE SUMMARY: On February 18, 2004, the City Council adopted the following policy as part of the City Council Policies and Goals for 2004: "To implement the Budget Strategy, General Fund reserves may be used to support General Fund expenditures as long as:

1. Revenues and expenditures balance by June 30, 2008, and
2. Reserve levels are not depleted below 25% of revenues in any year with the following exceptions:
 - a. reserves below 25% may be invested in long term cost savings projects or high return economic development projects, and
 - b. reserves shall never be depleted below 10% of revenues which shall be maintained as an ongoing reserve for emergencies."

In addition, the City Council adopted the following Goal at the same time:

"Prior to Council consideration of the City Manager's Recommended Budget in May 2004, the **Economic Development Committee** shall review existing Business Assistance Guidelines and recommend an appropriate 'rate of return' on economic development investments that might be made from General Fund reserves. The Committee shall consult with the Chamber of Commerce and the Downtown Association."

The **Finance and Audit Committee** was assigned the following Goal at the same time:

"Prior to Council consideration of the City Manager's Recommended Budget in May 2004, the Finance and Audit Committee shall prepare and recommend a plan for Council to consider new revenue options, including a plan on how best to obtain community support." In order to meet this obligation, which is dependent upon the extent of local economic development, the **Finance and Audit Committee** has proactively approached revising the existing Business Assistance Guidelines to fit potential General Fund investments and produced the attached "General Fund Reserve Investment Guidelines" covering both economic development projects and long term cost savings projects. These preliminary Guidelines would assist the **Economic Development Committee** in proposing a policy for future economic development investments.

Since General Fund Reserve Investment Guidelines were assigned to the **Economic Development Committee**, and since it might be inappropriate for the **Finance and Audit Committee** to send communications directly to the **Economic Development Committee**, staff recommends that the City Council direct that the attached Guidelines be delivered to the **Economic Development Committee** for their consideration in meeting City Council Policies and Goals for 2004.

FISCAL IMPACT: Proposed Guidelines would allow General Fund loans that would provide for a 50% return on funds invested, on top of principal, over a maximum period of 10 years. The Guidelines would also allow grants that could provide for a 100% return of amounts invested over 4 years, ideally structured so that specified revenue thresholds would be met. The **Finance and Audit Committee** plans to separately bring a report to the City Council regarding revenue options later this month.

Agenda Item # 2

Prepared By:

Finance Director

Submitted By:

City Manager

GENERAL FUND RESERVE INVESTMENT GUIDELINES PRESENTED TO FINANCE AND AUDIT COMMITTEE FOR DISCUSSION

March 24, 2004

The following are *guidelines* by general categories reflect comments made by the Finance and Audit Committee at their March 16 and March 24, 2004 meetings:

ECONOMIC DEVELOPMENT INVESTMENTS:

Revenue Generation

The following guidelines analyze the level of investment a business will make in the City and what type of revenues that business will generate to the City:

- The City should pursue "point of sales" businesses or companies which generate use tax to the City.
- The City should pursue large generators of tax increment (i.e., property taxes).
- As a rule of thumb for return on investment, for every \$2 of City assistance provided through loans, a business should generate \$1 of revenue, in addition to the eventual repayment of the loan, to the City's general fund over a maximum period of ten years.
- As a rule of thumb for return on investment, for every \$1 of City assistance provided through grants, a business should generate \$1 of revenue, representing the return of 100% of the grant, to the City's general fund over a maximum period of four years. Preference should be given to a structure that grants funds only if certain revenue thresholds are met.
- The City's loan could be up to 25 years as long as the company remains in the community for that length of time.
- Companies which receive City assistance, but do not meet their revenue goals will be required to repay a prorated share of their assistance package.

Jobs Created/Retained

The following guidelines address the type and number of jobs created by a business:

- X The City values companies which bring/retain higher paying, quality jobs to the community.
- X The City values companies that will create/retain quality jobs for local residents.
- X Companies which do not meet their employment goals would be required to repay a prorated share of their assistance package to the City.

Amenities/Services Provided

The following guidelines give consideration to the type of service or amenity provided:

- Avoid businesses which cannibalize existing sales tax revenue generated by similar businesses in the areas. The goal is to have a net gain of sales tax revenue.

- Assist businesses which will stimulate other businesses to develop in the area.
- Attract new or encourage the expansion of existing businesses which will augment or provide a service/amenity presently lacking or needed in the community.

Type of Industry/Business

As applicable, we consider the following guidelines for both business retention, expansion and attraction:

- Retain those companies which have been successful in the community for a minimum of 7 years and which have national/international name recognition of the business.
- Target businesses which provide a stimulus or spin off effect for other similar businesses to locate in the area.
- Focus on businesses with "clean" uses or manageable impacts on the City's water and waste water systems.
- Work with businesses that fit into the collective culture of Morgan Hill.
- Attract companies which complement or augment existing industries in town (e.g., bio-manufacturing, bio-tech). To facilitate this policy, staff will develop a bi-annual strategy which details our proactive approach to business attraction and identifies which industries we will target our efforts towards.
- Attract/retain businesses which provide diversity to the local economy
- Encourage the expansion of existing businesses within the community.

Other Guidelines

As applicable, we apply the following guidelines:

- Target businesses which will act as a catalyst for other development in a targeted area (e.g., downtown, shopping centers).
- Target new businesses which want to occupy existing, vacant facilities.
- Whenever possible, use existing City programs to meet the business's needs (e.g., ombudsman assistance, commercial loan program, expediting permitting, sewer fee deferral program, housing programs).
- Whenever possible, leverage City funds with other funding sources to assist a company.
- Focus on companies with minimal impacts and costs on public services (e.g., police, fire).
- Ask the company to demonstrate a need for gap financing.
- Evaluate if the City is being leveraged by the company against other communities. If so, the company considering offers from other communities, must demonstrate that it is seriously considering Morgan Hill (e.g., submit plans for preliminary review, begin environmental assessment).

NOTE: All companies receiving a business assistance proposal will be required to make good faith efforts to hire local resident and use local suppliers and vendors whenever competitively possible.

PRODUCTIVITY INVESTMENTS

General Fund reserves may also be invested, with City Council approval, for the purchase of supplies and/or services if the City documents and takes the steps necessary to achieve quantifiable expenditure savings in the General Fund over a four year period. The investment of such reserves shall be subject to City Council policy concerning minimum reserve levels. (Currently, that policy is described within the City Council Policies and Goals for 2004, which were adopted by the City Council on February 18, 2004).



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

MARCH 2, 2004 SPECIAL MUNICIPAL ELECTION - CERTIFIED STATEMENT OF ELECTION RESULTS

RECOMMENDED ACTION:

Adopt a Resolution Reciting the Facts of the Special Municipal Election of March 2, 2004.

Agenda Item # 3

Prepared By:

**Council Services &
Records Manager/
City Clerk**

Submitted By:

City Manager

EXECUTIVE SUMMARY:

A Special Municipal Election was held on Tuesday, March 2, 2004 to allow the voters of Morgan Hill to vote on a Ballot Measure – Measure C, Residential Development Control System (RDCS). Pursuant to Elections Code Section 10262, a resolution reciting the facts of the Special Municipal Election will need to be adopted by the City Council. The Santa Clara County Registrars of Voters has concluded canvassing the election returns and have issued a Certified Statement of Election Results (attached as Exhibit “B”).

Staff will refer the Council to Section 5 of the resolution. This Section states that the RDCS ordinance is considered adopted upon the date that the vote is declared by the City Council and will go into effect 10 days after the Council’s April 7, 2004 meeting, per Section 9217 of the Election Code). The RDCS ordinance is attached to the Resolution as Exhibit “A.”

FISCAL IMPACT: The invoice for the General Municipal Election has not yet been received. \$30,000 has been budged under the Elections budget (010-42231-2420) to cover the contract services to be charged by the Registrar of Voters.



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 7, 2004

COMMUNITY & CULTURAL CENTER PROPOSED USE POLICIES FOR SENIOR, YOUTH ACTIVITIES AND NON-PROFIT GROUPS

RECOMMENDED ACTION(S): Direct staff to incorporate the use policies and rates for senior, youth and non-profit group use at the Community and Cultural Center

Agenda Item # 4

Prepared By:

Manager, Recreation &
Community Services

Submitted By:

City Manager

EXECUTIVE SUMMARY: Council asked staff to consider ways to incorporate senior and youth/teen programming at the Community and Cultural Center (CCC) in addition to the class programming occurring at the CCC. The Senior Advisory Committee (SAC) expressed interest in being able to utilize space at the CCC during those periods of the day when the rooms are not in high demand. Staff reviewed the use trends of the CCC over a three-month period to determine times available. Staff worked with the following assumptions: use would be during regular operating times so no impact to operational costs; staff would not provide direct programming, and activities would be self-directed or paid for by attendees; schedule may change frequently if a paid user requires the space; and there would be a minimum fee to use the space.

Staff is recommending that we charge seniors a \$1.00 drop-in fee for use of specified rooms at the CCC on Tuesdays between the hours of 1:00 p.m. to 5:00 p.m. Youth would be charged a \$1.00 drop-in fee for organized meeting purposes with adult supervision on Thursdays from 3:30 p.m. to 7:30 p.m. in specified rooms. This use policy addresses the Council's desire to provide senior and youth programming prior to the construction of the IRC while maintaining cost recovery goals for the CCC.

Staff is also proposing that Morgan Hill based non-profit community groups using the Madrone or Diana Murphy room during prime time hours the rates would increase an additional \$20/hr. for all rooms to cover event attendant fees when one has to be assigned. Staff is also recommending that non-profit groups be charged the resident's rate for use of the Hiram MH Room to \$115/hr. (\$60) and the El Toro room \$95/hr. (\$40) after 12 noon on Saturday and Sunday, which are considered prime times. These recommendations were accepted for Council consideration by the Parks and Recreation Commission and the SAC at the meeting of March 16, 2004.

FISCAL IMPACT: Staff impact minimal on revised use policies except for time reserving the room and updating rental calendars.



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

APPROVE PURCHASE ORDERS FOR THE FURNISHINGS, FIXTURES, AND EQUIPMENT (FF&E) FOR THE NEW POLICE FACILITY

RECOMMENDED ACTION(S):

- 1) Authorize the City Manager to approve a Purchase Order in the amount of \$28,030.87 to Verizon Telephone Company for the installation of an upgraded phone system from Furniture, Fixtures and Equipment (FF&E) at the new police facility.

EXECUTIVE SUMMARY:

In July '03 the council awarded a building located at 16200 Vineyard Blvd. as the future Morgan Hill Police Department. The Council approved the purchase price and the estimated FF&E to complete the project. As the final design phase is completed for the tenant improvements, the installation of the upgraded phone system needs to be purchased immediately in order to be installed during construction.

The Police department reviewed other vendors for a new phone system and found one critical issue is compatibility when consideration of a new system. It is essential to be able to integrate with our current carrier, Verizon. In order to keep costs down and insure compatibility, we would like council approval to stay with our current carrier.

Currently, Verizon is under contract with the City for phone system services.

FISCAL IMPACT:

The funds set aside for the FF&E in this project will be drawn from 346-86450-8049-288000.

Agenda Item # 5

Prepared By:

Lt. Terrie Booten

Approved By:

**Interim Chief Bruce
Cumming**

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: *April 7, 2004*

REIMBURSEMENT FOR UNDERGROUNDING OF OVERHEAD UTILITIES BY SHAW DEVELOPMENT (AKA: SHAW REAL ESTATE, INC.)

RECOMMENDED ACTION:

1. Appropriate \$245,155 from our unappropriated Underground Utility fund balance (350); and
2. Approve attached Reimbursement Agreement, thereby approving reimbursement of \$22,711 to developer, and payment of \$222,444 to PG&E for undergrounding overhead utilities along the south side of Dunne Avenue west of Walnut Grove.

EXECUTIVE SUMMARY: Shaw Development developed the property along Dunne Avenue that includes Tutor Time nursery school and the mini-storage facility on San Benancio Way. As part of the project, the developer was required to underground the overhead utilities across the Dunne Avenue frontage of the project.

An additional 540 lineal feet of overhead utility lines along Dunne Ave. to the east of the project site will be placed underground as part of this cooperative work. This work will be done to complete the final section of undergrounding of overhead utilities along this area of Dunne Ave. The developer is requesting reimbursement for the undergrounding work that will be done across the adjacent portion and reimbursement of half the cost for the work across the project frontage in accordance with City policy.

The cost for this undergrounding work beyond the responsibility of the developer is \$245,155. Most of the cost is for the actual PG&E conversion costs and \$222,444 will be paid directly to PG&E. Also, \$22,711 will be reimbursed to the developer upon completion of the construction and approval by the City and PG&E. This project will be funded from our Underground Utility Fund (350).

Staff recommends that the City approve the Reimbursement Agreement and allocate the funds from the Underground Utility Fund.

FISCAL IMPACT: The total City cost of \$245,155 will be funded from our current year unappropriated Underground Utilities fund balance (350) with the funds to be added to CIP project #529001.

Agenda Item # 6

Prepared By:

Contract Project Mgr.

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 7, 2004

ACCEPTENCE OF MODIFICATIONS TO LIFT STATION B SEWAGE PUMP STATION

RECOMMENDED ACTION(S):

1. Accept as complete the Modifications to Lift Station B Sewage Pump Station in the final amount of \$517,281.16.
2. Direct the City Clerk to file the attached Notice of Completion with the County Recorder's Office.

EXECUTIVE SUMMARY:

The construction contract for the Modifications to Lift Station B Sewage Pump Station was awarded to Trinet Construction, Inc. by City Council at their April 2, 2003 meeting in the amount of \$448,000, plus a ten percent contingency of \$44,800. The scope of work included demolition, excavation, retaining walls, concrete wet well, pumps, piping, forcemain, paving, grading, landscaping, electrical, and all appurtenances to complete the upgrade of facilities at Lift Station B.

During construction, five change orders totaling \$41,281.16 were approved for unforeseen site conditions and resident's requests to minimize the lift station's appearance. These included; landscaping, painting, fire code regulations, heavy rock deposits, and a remote telemetry unit. Also included was an asphalt overlay of the existing access road for a cost of \$13,000, which was paid for by Maintenance Funds. In addition to the above, a change order for construction of a retaining wall, including erosion control measures totaling \$28,000 was approved by City Council on October 22, 2003 to provide access around the lift station and to prevent soil runoff onto neighboring properties. The final construction cost totaled \$517,281.16.

The work has been completed in accordance with the Contract, Plans, and Specifications.

FISCAL IMPACT:

The project was funded from CIP Project Number 304B95 with a budget of over \$750,000 carried over from fiscal year 2002-2003. Construction costs were budgeted by Sewer Replacement Funds (643) for \$507,800 and Street Maintenance Funds (640) for \$13,000, totaling \$520,800. The remaining construction balance is \$3,518.84 (\$520,800-\$517,281.16).

Agenda Item #7

Prepared By:

Associate Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

Record at the request of
and when recorded mail to:

CITY OF MORGAN HILL
CITY CLERK
17555 Peak Avenue
Morgan Hill, CA 95037

RECORD AT NO FEE PURSUANT TO GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION
CITY OF MORGAN HILL

MODIFICATIONS TO LIFT STATION B SEWAGE PUMP STATION

NOTICE IS HEREBY GIVEN, pursuant to Section 3093 of the Civil Code of the State of California, that the Director of Public Works of the City of Morgan Hill, California, on the 23rd day of April, 2003, did file with the City Clerk of said City, the contract for performing work which was heretofore awarded to Trinet Construction, Inc., on April 2, 2003, in accordance with the plans and specifications for said work filed with the City Clerk and approved by the City Council of said City.

That said improvements were substantially completed on November 20, 2003, accepted by the City Council on April 7, 2004, and that the name of the surety on the contractor's bond for labor and materials on said project is the Travelers Casualty and Surety Company of America.

That said improvements consisted of the construction and installation of all items of work provided to be done in said contract, all as more particularly described in the plans and specifications therefor approved by the City Council of said City.

Name and address of Owner: City of Morgan Hill
17555 Peak Avenue
Morgan Hill, California

Dated: _____, 2004.

Jim Ashcraft, Director of Public Works

I certify under penalty of perjury that the foregoing is true and correct.

Irma Torrez, City Clerk
City of Morgan Hill, CA
Date:



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 7, 2004

AWARD OF PROFESSIONAL SERVICES CONTRACT FOR LIFT STATION G SEWAGE PUMP STATION

RECOMMENDED ACTION(S): Authorize the City Manager to execute a consultant agreement for design and preparation of plans, specifications and estimates for Lift Station G Sewage Pump Station with MH Engineering, subject to approval by the City Attorney.

Agenda Item # 8

Prepared By:

Associate Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

EXECUTIVE SUMMARY: Lift Station G is located adjacent to the new Arco Station at the intersection of Monterey and Cochrane. Staff recommends hiring a qualified civil engineering firm for design and preparation of construction documents for this project. Staff requested proposals from several qualified firms. After reviewing the proposals, staff selected MH Engineering to perform this work.

The scope of work consists of a new lift station, complete in place, including but not limited to; wet well, forcemain, electrical, motor control center, SCADA system, and emergency generator. With the addition of Burnett High School and new homes at Capriano, Lift Station G will redirect sewer flow to the Butterfield sewer trunk per the City's Sewer Master Plan. The new station will reduce flow to Lift Station H, and thereby prolong the need for upgrading this facility. Coordination efforts will also be required with PG&E, Union Pacific Railroad, and the Bay Area Air Quality Management District to complete this project.

The attached \$55,100 proposal from MH Engineering provides a detailed explanation of their scope of services for this work. MH Engineering will perform all civil related work, while Freitas + Freitas will handle electrical and mechanical design for Lift Station G. MH Engineering has successfully performed similar work for the City and their experience will be invaluable for this project. Staff recommends approval of the attached proposal. Staff estimates construction to commence in September 2004.

FISCAL IMPACT: There are sufficient funds carried over from CIP 2002/03 (Capital Improvement Project #304093, Lift Station Improvements) to finance this Contract.



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 7, 2004

COUNCIL RESOLUTION SUPPORTING GRANT FUNDING FOR INSTALLATION OF BICYCLE LOOP DETECTORS AT VARIOUS INTERSECTIONS ALONG MONTEREY ROAD

RECOMMENDED ACTION(S): Approve the attached Resolution supporting grant funding for the Installation of Bicycle Loop Detectors at Various Intersections along Monterey Road, between Watsonville Road and Burnett Avenue (See attached map).

EXECUTIVE SUMMARY: On March 9, 2004, the Santa Clara Valley Transportation Authority (VTA) released a Call for Projects for the Transportation Development Act (TDA) Article 3 Program funding cycle. The TDA funding opportunity is intended for bicycle and pedestrian use. More specifically, project eligibility includes; bicycle parking, maintenance of Class I and Class II facilities, safety education programs, and bicycle comprehensive plans.

In January 2001, Council approved the Bikeways Master Plan for the City of Morgan Hill. One of the goals of the Master Plan emphasizes bicycle safety at intersections. One way to improve intersections for cyclists is to install bicycle sensitive detectors at major intersections along critical bicycle routes. All new traffic signals in Morgan Hill have included bicycle sensitive loop detectors. In conjunction with the Bicycle Trails Advisory Committee recommendation, Staff advocates the installation of bicycle detector loops along Monterey Road as the City's priority project for this grant opportunity. The detector loops will be placed in accordance with Caltrans, VTA's Bicycle Technical Guidelines and City Standards.

A Council Resolution in support of this project is required in order to apply for funding from the VTA for TDA Article 3 program.

FISCAL IMPACT: The City will be responsible for approximately \$10,000 for costs associated with environmental, design and inspection services. If we are successful in receiving the funds, Staff will return to Council and recommend that funds of \$10,000 are appropriated from our current year's un-appropriated Street Fund Balance.

Agenda Item # 9

Prepared By:

Associate Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

RESOLUTION NO.

**COUNCIL RESOLUTION SUPPORTING GRANT FUNDING
FOR INSTALLATION OF BICYCLE LOOP DETECTORS AT
VARIOUS INTERSECTIONS ALONG MONTEREY ROAD**

WHEREAS, Article 3 of the Transportation Development Act (TDA), Public Utilities Code (PUC) Section 99200 et seq., authorizes the submission of claims to a regional transportation planning agency for the funding of projects exclusively for the benefit and/or use of pedestrians and bicyclists; and

WHEREAS, the Metropolitan Transportation Commission (MTC), as the regional transportation planning agency for the San Francisco Bay region, has adopted MTC Resolution No. 875, Revised, entitled "Transportation Development Act, Article 3, Pedestrian/Bicycle Projects," which delineates procedures and criteria for submission of requests for the allocation of "TDA Article 3" funding; and

WHEREAS, MTC Resolution No. 875, Revised requires that requests for the allocation of TDA Article 3 funding be submitted as part of a single, countywide coordinated claim from each county in the San Francisco Bay region; and

WHEREAS, the **CITY OF MORGAN HILL** desires to submit a request to MTC for the allocation of TDA Article 3 funds to support the projects described in Attachment B to this resolution, which are for the exclusive benefit and/or use of pedestrians and/or bicyclists; now, therefore, be it.

RESOLVED, that the **CITY OF MORGAN HILL** declares it is eligible to request an allocation of TDA Article 3 funds pursuant to Section 99234 of the Public Utilities Code, and furthermore, be it

RESOLVED, that there is no pending or threatened litigation that might adversely affect the project or projects described in Attachment B to this resolution, or that might impair the ability of the **CITY OF MORGAN HILL** to carry out the project; and furthermore, be it

RESOLVED, that the **CITY OF MORGAN HILL** attests to the accuracy of and approves the statements in Attachment A to this resolution; and furthermore, be it

RESOLVED, that a certified copy of this resolution and its attachments, and any accompanying supporting materials shall be forwarded to the congestion management agency, countywide transportation planning agency, or county association of governments, as the case may be, of **COUNTY OF SANTA CLARA** for submission to MTC as part of the countywide coordinated TDA Article 3 claim.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its regular meeting of April 7, 2004, by the following vote:

AYES:

NOES:

ABSENT:
ABSTAIN:

CERTIFICATION

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. XXXX. Adopted by the City Council at the Regular City Council Meeting of April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO.

Attachment A

COUNCIL RESOLUTION SUPPORTING GRANT FUNDING FOR INSTALLATION OF BICYCLE LOOP DETECTORS AT VARIOUS INTERSECTIONS ALONG MONTEREY ROAD

Findings

Page 1 of 1

1. That the **CITY OF MORGAN HILL** is not legally impeded from submitting a request to the Metropolitan Transportation Commission for the allocation of Transportation Development Act (TDA) Article 3 funds, nor is the **CITY OF MORGAN HILL** legally impeded from undertaking the project(s) described in “Attachment B” of this resolution.
2. That the **CITY OF MORGAN HILL** has committed adequate staffing resources to complete the project(s) described on Attachment B.
3. A review of the project(s) described in Attachment B has resulted in the consideration of all pertinent matters, including those related to environmental and right-of-way permits and clearances, attendant to the successful completion of the project(s).
4. Issues attendant to securing environmental and right-of-way permits and clearances for the projects described in Attachment B have been reviewed and will be concluded in a manner and on a schedule that will not jeopardize the deadline for the use of the TDA funds being requested.
5. That the project(s) described in Attachment B comply with the requirements of the California Environmental Quality Act (CEQA, Public Resources Code Sections 21000 et seq.), and that the **CITY OF MORGAN HILL** is in possession of the document(s) supporting such compliance, said document(s) having been made available to for public review and stamped by the County Clerk or County Recorder of the county in which the claimant is located.
6. That as portrayed in the budgetary description(s) of the project(s) in Attachment B, the sources of funding other than TDA are assured and adequate for completion of the project(s).
7. That the project(s) described in Attachment B are for capital construction and/or design engineering; and/or for the maintenance of a Class I bikeway which is closed to motorized traffic; and/or for the purposes of restriping Class II bicycle lanes; and/or for the development or support of a bicycle safety education program; and/or for the development of a comprehensive bicycle and/or pedestrian facilities plan, and an allocation of TDA Article 3 funding for such a plan has not been received by the **CITY OF MORGAN HILL** within the prior five fiscal years.
8. That the project(s) described in Attachment B which are bicycle projects have been included in a detailed bicycle circulation element included in an adopted general plan, or included in an adopted comprehensive bikeway plan (such as outlined in Section 2377 of the California Bikeways Act, Streets and Highways Code section 2370 et seq.).
9. That any project described in Attachment B that is a “Class I Bikeway,” meets the mandatory minimum safety design criteria published in Chapter 1000 of the California Highway Design Manual.
10. That the project(s) described in Attachment B are ready to commence implementation during the fiscal year of the requested allocation.
11. That the **CITY OF MORGAN HILL** agrees to maintain, or provide for the maintenance of, the project(s) and facilities described in Attachment B, for the benefit of and use by the public.

RESOLUTION NO.

COUNCIL RESOLUTION SUPPORTING GRANT FUNDING FOR INSTALLATION OF BICYCLE LOOP DETECTORS AT VARIOUS INTERSECTIONS ALONG MONTEREY ROAD

WHEREAS, Article 3 of the Transportation Development Act (TDA), Public Utilities Code (PUC) Section 99200 et seq., authorizes the submission of claims to a regional transportation planning agency for the funding of projects exclusively for the benefit and/or use of pedestrians and bicyclists; and

WHEREAS, the Metropolitan Transportation Commission (MTC), as the regional transportation planning agency for the San Francisco Bay region, has adopted MTC Resolution No. 875, Revised, entitled “Transportation Development Act, Article 3, Pedestrian/Bicycle Projects,” which delineates procedures and criteria for submission of requests for the allocation of “TDA Article 3” funding; and

WHEREAS, MTC Resolution No. 875, Revised requires that requests for the allocation of TDA Article 3 funding be submitted as part of a single, countywide coordinated claim from each county in the San Francisco Bay region; and

WHEREAS, the **CITY OF MORGAN HILL** desires to submit a request to MTC for the allocation of TDA Article 3 funds to support the projects described in Attachment B to this resolution, which are for the exclusive benefit and/or use of pedestrians and/or bicyclists;

NOW, THEREFORE, BE IT RESOLVED, that the **CITY OF MORGAN HILL** declares it is eligible to request an allocation of TDA Article 3 funds pursuant to Section 99234 of the Public Utilities Code, and furthermore, be it

RESOLVED, that there is no pending or threatened litigation that might adversely affect the project or projects described in Attachment B to this resolution, or that might impair the ability of the **CITY OF MORGAN HILL** to carry out the project; and furthermore, be it

RESOLVED, that the **CITY OF MORGAN HILL** attests to the accuracy of and approves the statements in Attachment A to this resolution; and furthermore, be it

RESOLVED, that a certified copy of this resolution and its attachments, and any accompanying supporting materials shall be forwarded to the congestion management agency, countywide transportation planning agency, or county association of governments, as the case may be, of **COUNTY OF SANTA CLARA** for submission to MTC as part of the countywide coordinated TDA Article 3 claim.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of April, 2004 by the following vote.

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

🍷 CERTIFICATION 🍷

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

Attachment A

FINDINGS
(Page 1 of 1)

1. That the **CITY OF MORGAN HILL** is not legally impeded from submitting a request to the Metropolitan Transportation Commission for the allocation of Transportation Development Act (TDA) Article 3 funds, nor is the **CITY OF MORGAN HILL** legally impeded from undertaking the project(s) described in “Attachment B” of this resolution.
2. That the **CITY OF MORGAN HILL** has committed adequate staffing resources to complete the project(s) described on Attachment B.
3. A review of the project(s) described in Attachment B has resulted in the consideration of all pertinent matters, including those related to environmental and right-of-way permits and clearances, attendant to the successful completion of the project(s).
4. Issues attendant to securing environmental and right-of-way permits and clearances for the projects described in Attachment B have been reviewed and will be concluded in a manner and on a schedule that will not jeopardize the deadline for the use of the TDA funds being requested.
5. That the project(s) described in Attachment B comply with the requirements of the California Environmental Quality Act (CEQA, Public Resources Code Sections 21000 et seq.), and that the **CITY OF MORGAN HILL** is in possession of the document(s) supporting such compliance, said document(s) having been made available to for public review and stamped by the County Clerk or County Recorder of the county in which the claimant is located.
6. That as portrayed in the budgetary description(s) of the project(s) in Attachment B, the sources of funding other than TDA are assured and adequate for completion of the project(s).
7. That the project(s) described in Attachment B are for capital construction and/or design engineering; and/or for the maintenance of a Class I bikeway which is closed to motorized traffic; and/or for the purposes of re-striping Class II bicycle lanes; and/or for the development or support of a bicycle safety education program; and/or for the development of a comprehensive bicycle and/or pedestrian facilities plan, and an allocation of TDA Article 3 funding for such a plan has not been received by the **CITY OF MORGAN HILL** within the prior five fiscal years.
8. That the project(s) described in Attachment B which are bicycle projects have been included in a detailed bicycle circulation element included in an adopted general plan, or included in an adopted comprehensive bikeway plan (such as outlined in Section 2377 of the California Bikeways Act, Streets and Highways Code section 2370 et seq.).
9. That any project described in Attachment B that is a “Class I Bikeway,” meets the mandatory minimum safety design criteria published in Chapter 1000 of the California Highway Design Manual.
10. That the project(s) described in Attachment B are ready to commence implementation during the fiscal year of the requested allocation.
11. That the **CITY OF MORGAN HILL** agrees to maintain, or provide for the maintenance of, the project(s) and facilities described in Attachment B, for the benefit of and use by the public.



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

Agenda Item # 10

Prepared By:

**Manager, Recreation &
Community Services**

Submitted By:

City Manager

INCREASE CUSTODIAL STAFF BY .5 POSITION TO STAFF THE AQUATICS CENTER

RECOMMENDED ACTION(S): Add an additional .5 position in the building and maintenance division to cover staffing needs for the Aquatics Center.

EXECUTIVE SUMMARY:

The Aquatics Center is nearing completion and other key positions added in the 2003-2004 budget have been hired and are in place to meet the staffing needs at the Center. However, it is not possible to meet the custodial needs at the Center with the current level of staffing in the building and maintenance division.

Staff is recommending the recruitment and hiring of a part-time, permanent custodial position to be assigned to the Aquatic Center. The goal is to begin recruiting immediately upon Council approval of this additional .5 position in order to have the person on board by May 17 to assist with the grand opening of the Center.

The duties assigned to this position are contained in the City's current Custodian classification. That classification is represented by AFSCME Local 101.

FISCAL IMPACT:

No fiscal impact on the current 2003-2004 budget. Funds are available within the current Aquatics and Building and Maintenance budget. Position will be included in the 100% cost recovery goal for the Aquatic Center for FY 2004-2005.



CITY COUNCIL STAFF REPORT
MEETING DATE: APRIL 7, 2004

Agenda Item # 11

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1661, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1601, NEW SERIES, TO ALLOW EXPANSION OF THE EXISTING RESIDENTIAL PLANNED DEVELOPMENT TO BE LOCATED ON THE NORTH AND SOUTH SIDES OF EAST CENTRAL AVENUE, TO R-1 (7000)/RPD. THE AMENDMENT INCLUDES THE ADOPTION OF A PRECISE DEVELOPMENT PLAN FOR THE 86-LOT, 28.345-ACRE RPD (APNs 726-20-003 & 726-28-048 through 052).

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1661, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On March 17, 2004, the City Council Introduced Ordinance No. 1661, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers; NOES: None; ABSTAIN: None; ABSENT: Tate.

FISCAL IMPACT:

None. Filing fees were paid to the City to cover the cost of processing this application.

ORDINANCE NO. 1661, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO ORDINANCE NO. 1601, NEW SERIES, TO ALLOW EXPANSION OF THE EXISTING RESIDENTIAL PLANNED DEVELOPMENT TO BE LOCATED ON THE NORTH AND SOUTH SIDES OF EAST CENTRAL AVENUE, TO R-1 (7000)/RPD. THE AMENDMENT INCLUDES THE ADOPTION OF A PRECISE DEVELOPMENT PLAN FOR THE 86-LOT, 28.345-ACRE RPD (APNs 726-20-003 & 726-28-048 through 052).

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

- SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A Mitigated Negative Declaration will be filed.
- SECTION 4.** The City Council finds that the proposed RPD and Precise Plan are consistent with the criteria specified in Chapter 18.18 of the Morgan Hill Municipal Code.
- SECTION 5.** Approval of the Morgan Lane RPD and Precise Development Plan shall allow the following deviations from the R-1(7000) zoning district:

Lot No.	Lot Size (as specified in Sec. 18.12.060A)	Lot Depth (min. 85 ft.)	Lot Width (min. 60 ft. detached/ 40 ft. attached)	Setbacks (as specified in Sec. 18.12.060E)
✓ indicates lot in conformance for this standard.				
61	6,841 sq. ft.	✓	✓	✓
62	✓	✓	37.35 ft.	✓
63	✓	✓	37.17 ft.	✓
66	6,745 sq. ft.	✓	✓	✓
67	5,514 sq. ft.	✓	44.12 ft.	✓
68	5,511 sq. ft.	✓	53.00 ft.	✓
69	5,649 sq. ft.	✓	54.33 ft.	✓
71	6,465 sq. ft.	✓	✓	✓
73	3,612 sq. ft.	69.27 ft.	✓	✓
74	3,761 sq. ft.	69.27 ft.	✓	✓
78	3,296 sq. ft.	✓	37.45 ft.	✓
79	3,420 sq. ft.	✓	37.17 ft.	✓
80	✓	✓	✓	4 ft. front yard encroach.
84	3,928 sq. ft.	✓	37.17 ft.	✓
85	3,401 sq. ft.	83.6 sq. ft.	37.45 ft.	✓

SECTION 6. The City Council hereby approves the Precise Development Plan as contained in that certain series of documents date stamped January 21, 2004, on file in the Community Development Department, entitled "Morgan Lane, Phase 4" prepared by MH Engineering Co. These documents, as amended by site and architectural review, show the location and sizes of all lots in this development and the location and dimensions of all proposed buildings, vehicle and pedestrian circulation ways, parking areas, landscape areas and any other purposeful uses on the project.

SECTION 7. With the exception of the deviations allowed under Section 5 of this Ordinance, buildout of Morgan Lane shall comply with the site development standards of the R1(7000) district. Any modifications to the approved building plans shall also comply with the site development standards of the R1(7000) district.

SECTION 8. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 9. Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 17th Day of March 2004, and was finally adopted at a regular meeting of said Council on the 7th Day of April 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

⌘ CERTIFICATE OF THE CITY CLERK ⌘

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1661, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 7th Day of April 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT
MEETING DATE: APRIL 7, 2004

Agenda Item # 12

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1662, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT, DA-03-15, FOR 26 LOTS LOCATED ON THE SOUTH SIDE OF EAST CENTRAL AVENUE NORTH OF EAST MAIN AVENUE, FOR MP 02-19: E. CENTRAL - WARMINGTON (SOUTH) (APN 726-20-003).

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1662, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On March 17, 2004, the City Council Introduced Ordinance No. 1662, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers; NOES: None; ABSTAIN: None; ABSENT: Tate.

FISCAL IMPACT:

None. Filing fees were paid to the City to cover the cost of processing this application.

ORDINANCE NO. 1662, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT, DA-03-15, FOR 26 LOTS LOCATED ON THE SOUTH SIDE OF EAST CENTRAL AVENUE NORTH OF EAST MAIN AVENUE, FOR MP 02-19: E. CENTRAL - WARMINGTON (SOUTH) (APN 726-20-003).

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. The Planning Commission, pursuant to Title 18, Chapter 18.78.125 of the Municipal Code and Resolution Nos. 03-17a and 03-17b, adopted May 27, 2003, has awarded allotments to that certain project herein after described as follows:

<u>Project</u>	<u>Total Dwelling Units</u>
MP 02-19: E. Central - Warmington (South)	26 single-family homes

SECTION 4. References are hereby made to certain Agreements on file in the office of the City Clerk of the City of Morgan Hill. These documents to be signed by the City of Morgan Hill and the property owner set forth in detail and development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

SECTION 5. The City Council hereby finds that the development proposal and agreement approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 6. Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

SECTION 7. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. Effective Date Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 17th Day of March 2004, and was finally adopted at a regular meeting of said Council on the 7th Day of April 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1662, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 7th Day of April 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT
MEETING DATE: APRIL 7, 2004

Agenda Item # 13

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1663, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A RESIDENTIAL PLANNED DEVELOPMENT AND PRECISE DEVELOPMENT PLAN FOR A 16-UNIT SINGLE-FAMILY PROJECT LOCATED ON THE NORTH SIDE OF BARRETT AVE., APPROXIMATELY 70 FT. WEST OF HIGHWAY 101. (APN 817-10- 002)

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1663, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On March 17, 2004, the City Council Introduced Ordinance No. 1663, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers; NOES: None; ABSTAIN: None; ABSENT: Tate.

FISCAL IMPACT:

None. Filing fees were paid to the City to cover the cost of processing this application.

ORDINANCE NO. 1663, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A RESIDENTIAL PLANNED DEVELOPMENT AND PRECISE DEVELOPMENT PLAN FOR A 16-UNIT SINGLE-FAMILY PROJECT LOCATED ON THE NORTH SIDE OF BARRETT AVENUE, APPROXIMATELY 70 FEET WEST OF HIGHWAY 101. (APN 817-10- 002).

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration will be filed.
- SECTION 4.** The City Council finds that the proposed RPD Overlay District is consistent with the criteria specified in Chapter 18.18 of the Morgan Hill Municipal Code.
- SECTION 5.** The City Council hereby approves a precise development plan as contained in that certain series of documents date stamped September 5, 2004, on file in the Community Development Department, entitled “Barrett Place” prepared by M.H. Engineering and Development Process Consultants. These documents, as amended by site and architectural review, show the location and sizes of all lots in this development and the location and dimensions of all proposed buildings, vehicle and pedestrian circulation ways, recreational amenities, parking areas, landscape areas and any other purposeful uses on the project.
- SECTION 6.** Any building additions within this RPD shall be subject to compliance with the base R-1 7,000 site development standards as contained in section 18.12 as amended in the Morgan Hill Municipal Code.

SECTION 7. The project shall comply with the provisions of Ordinance No. 1641 for the modified setback dwellings.

SECTION 8. The City Zoning Map shall be amended as shown in attached Exhibit B.

SECTION 9. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 10. Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 17th Day of March 2004, and was finally adopted at a regular meeting of said Council on the 7th Day of April 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1663, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 7th Day of April 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT
MEETING DATE: APRIL 7, 2004

Agenda Item #14

Prepared By:

Deputy City Clerk

Approved By:

City Clerk

Submitted By:

City Manager

ADOPT ORDINANCE NO. 1664, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT FOR APPLICATION MP-02-20: BARRETT-DITRI (APN 817-10- 002)

RECOMMENDED ACTION(S):

Waive the Reading, and **Adopt** Ordinance No. 1664, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall Be Determined to Have Been Read by Title and Further Reading Waived.

EXECUTIVE SUMMARY:

On March 17, 2004, the City Council Introduced Ordinance No. 1664, New Series, by the Following Roll Call Vote: AYES: Carr, Chang, Kennedy, Sellers; NOES: None; ABSTAIN: None; ABSENT: Tate.

FISCAL IMPACT:

None. Filing fees were paid to the City to cover the cost of processing this application.

ORDINANCE NO. 1664, NEW SERIES

**AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF MORGAN HILL APPROVING A
DEVELOPMENT AGREEMENT FOR APPLICATION
MP-02-20: BARRETT-DITRI (APN 817-10- 002).**

**THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY
ORDAIN AS FOLLOWS:**

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. The Planning Commission, pursuant to Title 18, Chapter 18.78.380 of the Municipal Code and Resolution Nos. 03-17c, adopted May 27, 2003, has awarded allotments to a certain project herein after described as follows:

<u>Project</u>	<u>Total Dwelling Units</u>
MP-02-20: Barrett-Ditri	6 units (Fiscal Year 2004-05)
	8 or 9 units* (Fiscal Year 2005-06)

*Subject to the determination that the second existing building on the site is habitable.

SECTION 4. References are hereby made to certain Agreements on file in the office of the City Clerk of the City of Morgan Hill.

These documents to be signed by the City of Morgan Hill and the property owner set forth in detail and development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

SECTION 5. The City Council hereby finds that the development proposal and agreement approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 6. Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

SECTION 7. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. Effective Date Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 17th Day of March 2004, and was finally adopted at a regular meeting of said Council on the 7th Day of April 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 1664, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 7th Day of April 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

**CITY OF MORGAN HILL
SPECIAL CITY COUNCIL MEETING
MINUTES – MARCH 17, 2004**

CALL TO ORDER

Mayor Kennedy called the special meeting to order at 6:00 p.m.

ROLL CALL ATTENDANCE

Present: Council Members Carr, Chang, Sellers, and Mayor Kennedy
Late: Council Member Chang (arrived at 6:05 p.m.)
Absent: Council Member Tate

DECLARATION OF POSTING OF AGENDA

City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

CLOSED SESSIONS:

City Attorney Leichter announced the below listed closed session.

EXISTING LITIGATION:

Authority: Government Code section 54956.9(a)
Case Name: Kerr v. Cahill, et al.
Case Number: Santa Clara County Superior Court, Case No. 104CV012929

OPPORTUNITY FOR PUBLIC COMMENT

Mayor Kennedy opened the Closed Session item to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor Kennedy adjourned the meeting to Closed Session at 6:03 p.m.

RECONVENE

Mayor Kennedy reconvened the meeting at 6:45 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney Leichter announced that authority was given to defend in the matter of Kerr v. Cahill case.

ADJOURNMENT

There being no further business, Mayor Kennedy adjourned the meeting at 7:03 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK

**CITY OF MORGAN HILL
SPECIAL CITY COUNCIL MEETING
MINUTES – MARCH 24, 2004**

CALL TO ORDER

Mayor Pro Tempore Sellers called the meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

Present: Mayor Pro Tempore Sellers; Council Members Carr and Chang
Absent: Mayor Kennedy and Council Member Tate

DECLARATION OF POSTING OF AGENDA

City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CLOSED SESSIONS:

The closed sessions were deferred to the conclusion of the Regular Redevelopment Agency and Special City Council meeting agenda.

At 9:45 p.m., City Attorney Leichter announced the below listed closed session items.

CLOSED SESSION:

1.

EXISTING LITIGATION:

Legal Authority:	Government Code 54956.9(a)
Case Title:	Oregon Mutual v. City of Morgan Hill
Case Name/No.:	Santa Clara County Superior Court, Case No. 1-03-CV005398
Attendees:	City Manager, Public Works Director, City Attorney

2.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Legal Authority:	Government Code Section 54965.9(a)
Case Name:	Morgan Hill Unified School District v. Minter & Fahy
Case No.:	Santa Clara County Superior Court, No. CV 772368
Attendees:	City Council, City Manager, City Attorney

OPPORTUNITY FOR PUBLIC COMMENT

Mayor Pro Tempore Sellers opened the Closed Session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor Pro Tempore Sellers adjourned the meeting to Closed Session at 9:46 p.m.

RECONVENE

Mayor Pro Tempore Sellers reconvened the meeting at 9:56 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney Leichter announced that a settlement agreement has been reached in the Minter & Fahy case. The agreement stipulates a \$1.575 million settlement, of which the City of Morgan Hill will receive approximately 35%.

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

ADJOURNMENT

There being no further business, Mayor Pro Tempore Sellers adjourned the meeting at 9:57 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9345, TROVARE PHASE II

RECOMMENDED ACTION(S):

1. Adopt the attached resolution accepting the subdivision improvements included in Tract 9345, commonly known as Trovare Phase II.
2. Direct the City Clerk to file a Notice of Completion with the County Recorder's office.

EXECUTIVE SUMMARY:

Tract 9345 is a 54 lot subdivision located on the south side of East Dunne Avenue across from Tassajara Circle (see attached location map). The subdivision improvements have been completed in accordance with the requirements of the Subdivision Improvement Agreement between the City of Morgan Hill and Morgan Hill Developers LLC, dated August 21, 2001 and as specifically set forth in the plans and specifications approved by the City.

The streets to be accepted are:

<u>Street Name</u>	<u>Street Length</u>
Claret Drive	0.04 miles
Domaine Drive	0.18 miles
Cabernet Circle	0.18 miles
Zinfandel Circle	0.31 miles

FISCAL IMPACT: Staff time for this project was paid for by development fees.

Agenda Item # 17

Prepared By:

Senior Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MORGAN HILL ACCEPTING THE SUBDIVISION
IMPROVEMENTS FOR TRACT 9345, TROVARE PHASE II**

WHEREAS, the owner of Tract 9345, designated as Trovare Phase II, entered into a Subdivision Improvement Agreement on August May 21, 2001: and

WHEREAS, Jim Ashcraft, City Engineer, has certified in writing to the City Council that all of said improvements have been installed according to the City specifications and plans for said subdivision.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, AS FOLLOWS:

1. The City Council hereby finds and determines that all public improvements required to be constructed pursuant to the above-mentioned Subdivision Improvement Agreement have been completed in accordance with the plans and specifications for said improvements.
2. This resolution shall constitute an interim acceptance of all said public improvements and the date of its passage shall constitute the starting day for computing the one year maintenance provisions referred to in Paragraph 10 of the Subdivision Improvement Agreement of August 21, 2001.
3. The City Clerk, following adoption of this resolution, will file with the Recorder of Santa Clara County, California a Notice of Completion of the subdivision public improvements.
4. If requested by the developer or subdivider, the City Clerk hereby is authorized to record a certified copy of this resolution with the Recorder of Santa Clara County, California.

PASSED AND ADOPTED this 7th day of April, 2004.

AYES:
NOES:
ABSTAIN:
ABSENT:

CERTIFICATION

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. adopted by the City Council at the Regular City Council Meeting of April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

Record at the request of
and when recorded mail to:

CITY OF MORGAN HILL
CITY CLERK
17555 Peak Avenue
Morgan Hill, CA 95037

RECORD AT NO FEE PURSUANT TO GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION

CITY OF MORGAN HILL

TRACT 9345, TROVARE PHASE II

NOTICE IS HEREBY GIVEN, pursuant to Section 3093 of the Civil Code of the State of California, that the Director of Public Works of the City of Morgan Hill, California, signed below, represents the City of Morgan Hill as the owner of the public improvements for the above named development. Said improvements were substantially completed on March 23, 2004, by Morgan Hill Developers LLC, the subdivider of record and accepted by the City Council on April 7, 2004. Said improvements consisted of public streets, utilities and appurtenances.

The name of the surety on the contractor's bond for labor and materials on said project is Gulf Insurance Company.

Name and address of Owner: City of Morgan Hill
17555 Peak Avenue
Morgan Hill, California

Dated: _____, 2004.

Jim Ashcraft, Director of Public Works

I certify under penalty of perjury that the foregoing is true and correct.

Irma Torrez, City Clerk
City of Morgan Hill, CA
Date:

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MORGAN HILL ACCEPTING THE SUBDIVISION
IMPROVEMENTS FOR TRACT 9345, TROVARE PHASE II**

WHEREAS, the owner of Tract 9345, designated as Trovare Phase II, entered into a Subdivision Improvement Agreement on August May 21, 2001: and

WHEREAS, Jim Ashcraft, City Engineer, has certified in writing to the City Council that all of said improvements have been installed according to the City specifications and plans for said subdivision.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA, AS FOLLOWS:

1. The City Council hereby finds and determines that all public improvements required to be constructed pursuant to the above-mentioned Subdivision Improvement Agreement have been completed in accordance with the plans and specifications for said improvements.

2. This resolution shall constitute an interim acceptance of all said public improvements and the date of its passage shall constitute the starting day for computing the one year maintenance provisions referred to in Paragraph 10 of the Subdivision Improvement Agreement of August 21, 2001.

3. The City Clerk, following adoption of this resolution, will file with the Recorder of Santa Clara County, California a Notice of Completion of the subdivision public improvements.

4. If requested by the developer or subdivider, the City Clerk hereby is authorized to record a certified copy of this resolution with the Recorder of Santa Clara County, California.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of April, 2004 by the following vote.

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

☞ CERTIFICATION ☞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: April 7, 2004

LEASE WITH THE CALIFORNIA YOUTH SOCCER ASSOCIATION (CYSA)

RECOMMENDED ACTION(S):

Approve a new lease agreement with CYSA for the property located at 16545 Murphy Avenue and direct the Executive Director to do everything necessary and appropriate to execute the new lease agreement.

EXECUTIVE SUMMARY:

In July 2001, the Redevelopment Agency purchased the 35 acre site commonly known as the regional soccer complex. The site is bounded on the west and east by Condit Road and Murphy Avenue and on the north and south by San Pedro and Barrett Avenues, respectively. Since that time, the Agency has continued to lease the property to CYSA for use as a regional soccer complex. In October 2003, the Agency provided staff with parameters for negotiating a lease extension with CYSA. Specifically, the Agency stated the following: 1) Given the uncertainty of the scope and funding for the future sports complex, a 12 month extension thru December 2004 should not impact the development of the sports complex, 2) The current rent is adequate, and 3) The Agency wanted to make the facility more accessible to other public entities.

The attached lease agreement maintains the same basic terms of the old lease with some adjustments. The following are the key terms of the lease:

- The lease runs from January 1, 2004 thru December 2004.
- The lease rate is \$25,259.50 adjusted in July 2004 based on the CPI.
- CYSA acknowledges that after this lease terminates, the Agency will not negotiate another long term lease.
- CYSA is responsible for all maintenance and repair of the facility as well as all utility costs.
- The City may use the facility for its recreational programming from June to November for two days per week. The facility could be used as part of the programming offered for the Aquatics Complex.
- The general public may apply to CYSA to use the fields as long as it doesn't conflict with CYSA's uses. Orchard Valley Soccer is an affiliate of CYSA so they have their own use arrangements. Also, CYSA did let Gavilan College women's soccer team use the facility.

The new lease agreement reflects the Agency's current contractual standards and provides assurances that the facility will be leased thru December 2004.

FISCAL IMPACT: The Agency will receive over \$25,000 during the lease period.

Agenda Item #18

Approved By:

BAHS Director

Submitted By:

Executive Director

**CITY OF MORGAN HILL
JOINT REGULAR REDEVELOPMENT
AND SPECIAL CITY COUNCIL MEETING
MINUTES – MARCH 24, 2004**

CALL TO ORDER

Vice Chair/Mayor Pro Tempore Sellers called the meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

Present: Vice Chair/Mayor Pro Tempore Sellers; Agency/Council Members Carr and Chang

Participating from Remote Locations: Chairperson/Mayor Kennedy (Washington, D.C.) and Agency/Council Member Tate (Scottsdale, Arizona)

DECLARATION OF POSTING OF AGENDA

Agency Secretary/City Clerk Torrez certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL SUBCOMMITTEE REPORT

Mayor Kennedy indicated that he was in Washington, D.C. with members of the Santa Clara County Water District in order to lobby Congressional representatives and the administration to help provide funding for several issues important to Morgan Hill: 1) Corp of Engineers to continue their work on the Llagas Creek Flood Control project (PL 566), 2) the perchlorate clean-up project (\$4 million), and 3) continuation of the Pajaro River Watershed Joint Powers Authority (\$100,000). He stated that the group met briefly with Congressman Pombo, Congresswoman Zoe Lofgren, and Congressman Mike Honda. He stated that all representatives were favorable and positive about these funding requests. However, funds are scarce and that the administration has eliminated funding for all three projects. He felt that funding will be an uphill battle but that the City's congressional representatives will be working to try to get these funds approved.

PUBLIC COMMENT

Vice Chair/Mayor Pro Tempore Sellers opened the floor to public comments for items not appearing on this evening's agenda. No comments were offered.

Mayor Kennedy and Council Member Tate indicated that they posted the agenda at their remote locations. Both indicated that no one from the public was in attendance to address the Agency/Council under the public comment portion of the meeting.

Redevelopment Agency Action

CONSENT CALENDAR:

Action: *On a motion by Agency Member Carr and seconded by Agency Chang, the Agency Board unanimously (5-0) **Approved** Consent Calendar Item 1, as follows:*

1. **FEBRUARY 2004 RDA FINANCE & INVESTMENT REPORT**

Action: **Accepted** and **Filed** Report.

City Council Action

CONSENT CALENDAR:

Mayor Kennedy requested that item 2 be removed, City Attorney Leichter requested that item 3 be removed and Council Member Tate requested that item 5 be removed from the Consent Calendar.

Action: *On a motion by Council Member Carr and seconded by Council Member Chang, the City Council unanimously (5-0) **Approved** Consent Calendar Item 4 as follows:*

4. **APPROVE MAYOR'S REQUEST FOR REAPPOINTMENT TO THE AIRPORT LAND USE COMMISSION**

Action: **Approved** the Mayor's Request for Consideration of Reappointment to the Airport Land Use Commission by the Santa Clara County Cities Association's City Selection Committee.

2. **UPDATE ON DEVELOPMENT PROCESSING SERVICES STUDY IMPLEMENTATION**

Mayor Kennedy referred to page 13 of the staff report, the matrix that contained a status report on implementation and study recommendation. He said that item number 2.0 works toward the creation of a one stop permit center, housing all development review departments in one facility. He noted that staff has indicated that under the current status, this item is pending the construction of new library. He noted that it is further being stated that the current CIP assumes the new library will be built on Alkire Avenue and that the old library would be remodeled and used by the Community Development Department and Public Works staff. He inquired whether an engineer from public works was at City Hall, beginning the process of implementing a one stop permitting center.

City Manager Tewes stated that it would not be appropriate to state that the City has moved toward a one stop permit center. He clarified that the City has assigned an engineer from the public works department to have office hours at City Hall. This has helped enormously in dealing with applicants who have inquiries relating to civil engineering issues. He stated that the report, as outlined, is correct in that the City has not yet moved toward a one stop permit center. He said that the City's greatest opportunity to have co-location of all of the appropriate staff is when the library is built. Thus, the

reference to the future CIP project that might bring the entire development review committee together in one building.

Mayor Kennedy inquired whether the City has to wait until this is done to start the process of creating a one stop permitting center.

City Manager Tewes responded that staff believes that the one stop permit process center has to wait until the construction of the new library. He felt that this might be an issue that the Council might wish to agendaize for future discussion as part of the budget process.

Mayor Kennedy requested that the discussion of a one stop permitting process be scheduled for a future agenda.

Mayor Pro Tempore Sellers felt that there would be costs associated with a one stop permit center and that the Council will need to figure out what the tradeoffs will be.

Action: *On a motion by Mayor Kennedy and seconded by Council Member Carr, the City Council unanimously (5-0): 1) **Accepted** Report on the Implementation Status of Development Processing Services Study Recommendations; and 2) **Directed** Staff to Report Back on the Implementation Status in October 2004.*

3. CONCESSION OPPORTUNITIES AT THE AQUATIC CENTER

City Attorney Leichter referred to page 51 of the agenda packet. She indicated that there has been a proposal by the consultant which has been set forth in the recommendation. She stated that the recommendation before the Council is to enter into a consultant contract and noted that the contract contains a liability limitation. She indicated that the consultant agreed with this recommendation. She clarified for the record that any consultant agreement would be subject to her approval and would not contain this part of the consultant's proposal.

Action: *On a motion by Council Member Tate and seconded by Council Member Chang, the City Council on a 5-0 roll call vote: 1) **Approved** the City Operation of the Aquatic Center Concessions for the Baseline Year; 2) **Directed** Staff to Enter Into a Consulting Contract with Profitable Food Facilities (PPF) for \$11,000 from the Unallocated General Fund; and 3) **Allocated** \$70,000 from the Unallocated General Fund for Start-up Operational Costs.*

5. SPECIAL CITY COUNCIL MEETING MINUTES OF MARCH 10, 2004

Action: *On a motion by Council Member Carr and seconded by Council Member Chang, the City Council, on a 4-0-1 vote with Council Member Tate abstaining (roll call vote), **Approved** the Minutes as written.*

Redevelopment Agency and City Council Action

OTHER BUSINESS:

6. LOAN FOR OFF-SITE IMPROVEMENTS FOR DAY WORKER CENTER

Director of Business Assistance and Housing Services Toy presented the staff report. He requested Council/Agency direction regarding the request by Leslie Miles and Charles Weston to modify the terms of their offsite improvement loan for the dayworker center as well as discussion relating to the offsite improvement requirements for interim uses.

Mayor Pro Tempore Sellers opened the floor to public comment.

Charles Weston stated that the issue of the offsite improvements came about because the City does not have a mechanism in place to allow a temporary use without the site being completely improved. He indicated that the offsite improvements were not something that he and his wife anticipated with the dayworker center. He stated that the City has entered into discussions with him and his wife about a loan which would be repaid to the City at a certain time. He said that he needs to install the improvements at this time because the dayworker center needs underground water and sewer which he will be constructing with the loan. In order to receive the loan from the City, he is required to pay the contractors prevailing wages, equating to approximately 25% more than he would have to pay in five years without the dayworker center as he would have secured a loan from a bank. He would base his decision on who would install the offsite improvements solely at his discretion of a low bid. The reason he is requesting he be granted a payment schedule is because he has to pay considerably more than he would have had to if he had installed the improvements at his leisure, or in five years when he was ready to develop the site. He indicated that staff represented something that has been discussed but requested that he be granted a payment schedule that extends beyond five years.

Agency/Council Carr noted that the difference between what the Council/Agency has already approved and what is now being requested is two additional years in which the loan would be paid off. He noted that in the first five years, there would be no interest or payments on the loan. In year six, payments would begin and the loan is to be paid off by year seven. He did not believe that it was good practice to negotiate terms at the dias. He inquired whether Mr. Weston would agree to having an interest rate attached to payments in years six and seven.

Mr. Weston stated that he did not object to having an interest rate attached to year six and seven and that he would like to renegotiate the loan being paid back at time of issuance of building permit. He stated that there may be a possibility that in five years, he may be ready to pull permits for his project. He would like the loan to continue beyond this time up to seven years. He clarified that he would like to pull building permits but not pay back the loan for two years.

Executive Director/City Manager Tewes agreed that it is bad practice to negotiate at the dias. He said that negotiations at the dias would change the basis for the original recommendation. He noted that these are improvements that would not otherwise be installed by the developer but are required by the temporary use of the dayworker center. He indicated that Mr. Weston is suggesting that if the ultimate

development is built within five years, he would not be required to install the improvements. He felt that the loan should be due and payable when the ultimate development of the site occurs.

In response to Agency/Council Member Chang's question, Mr. Weston indicated that he would be installing the offsite improvements immediately. He argued that because of the temporary use for the dayworker center is being developed at this particular time, he would have to pay approximately \$25,000 more for securing a loan from the City. If he has to apply for the loan with the City, he would like to receive some advantage as he has already spent considerable amount of time, money and effort on the dayworker center. He requested relief for agreeing to allow the dayworker center on his site.

Vice-chair/Mayor Pro Tempore Sellers stated that he appreciates Mr. Weston's concerns as they seem to have some validity. However, he expressed concern that the Agency/Council would be undertaking negotiations from the dias and felt that it would be inappropriate to do so. If this remains to be a concern to the applicant, he suggested that the applicant sit down with staff and try to negotiate the terms of the loan agreement unless the Agency/Council can come up with a solution that does not require having to go back and forth this evening.

Agency/Council Member Tate noted that the Council agreed to a three year temporary use. To go two years beyond this time period for a permanent use on the site would be the limit where the City would want to go. He felt that development of the site within five years was the appropriate length of time to develop a permanent use for the site.

Vice-chair/Mayor Pro Tempore Sellers said that it was his understanding that the facilities would be constructed in a relatively short period of time and would not be delayed. Because of the additional costs paid upfront many years prior to the permanent development of the site, and the cost incurred from prevailing wages, the applicant is requesting additional time to repay the loan. Whether this is proper is one that the Agency/Council has to discuss.

Mr. Weston said that he is still planning on developing the site in the appropriate speedy fashion. However, development would depend on how successful he is in a Measure P competition, noting that he has no control of allocations. He argued that the City has gone down the path of moving forward with a dayworker center and that the installation of offsite improvements are necessary in order to avoid flooding of the dayworker center.

No further comments were offered.

Agency/Council Member Carr noted that this loan has been discussed on multiple occasions and that each time the Agency/Council is being told that the reason that costs are incurring and the need for the loan is attributable to the fact that the City is requiring the offsite improvements for a temporary use. At the last meeting, he suggested that the Agency/Council take a look at the offsite improvements rather than to continue to discuss the terms of the loan. He was not sensing that this is anything that the Agency/Council is interested in considering. Therefore, he would withdraw his recommendation to discuss the need for the offsite improvements.

Mr. Toy indicated that the Agency/Council approved a loan that is due upon the issuance of a building permit for the permanent development or sooner than the term of the loan. If this remains an unresolved issue, the loan would be unresolved and the City would not be able to provide the financing needed for the offsite improvements for the dayworker center. He informed the Council that it approved staff's recommended five year loan, noting that the applicant originally requested a no interest, 10-year loan. However, the seven year loan period was a compromise.

Vice-chair/Mayor Pro Tempore Sellers noted that Agency/Council Member Carr was suggesting an appropriate rate of interest on the loan in years six and seven.

Chairman/Mayor Kennedy indicated that it was his understanding that staff met with Mr. Weston and that they came up with a proposal. It was his belief that the item on the agenda was a negotiated agreement between staff and the applicant.

Vice-chair/Mayor Pro Tempore Sellers noted that the original loan was due and payable at the time that the building permit is issued with no interest rate to be charged during the term of the loan.

Agency/Council Member Tate did not understand why the City would want to approve a loan beyond five years. He felt that the Agency/Council would want to encourage the development to take place within five years and not give the applicant two extra years to figure what he would develop on the site. He recommended that the Agency/Council place pressure on Mr. Weston to develop the permanent use after the dayworker center vacates the site. He did not see an advantage to the City going beyond a five year loan term. If the City has to go beyond five years, he recommended that a high percentage interest rate be charged so that there is an incentive for the property owner to proceed with development.

Vice-chair/Mayor Pro Tempore Sellers noted that the applicant has indicated that there are several items beyond his control such as a Measure P application. He said that the improvements to be undertaken will be installed soon and that they will not be significantly modified. It was his belief that several Agency/Council members have an interest in making sure that the terms of the loan will induce the applicant to proceed with the permanent development as quickly as possible. He inquired whether staff was aware of any City incentives in Measure C, or where there may be other issues that could impact the property owner's ability to develop the site.

Mr. Toy indicated that under Measure C, the Council will have a set aside for the downtown that Mr. Weston can compete for. However, there are other properties in the downtown and projects under the Downtown RFC that will be competing for the same set asides. He did not know how well Mr. Weston's project would score versus other projects. Regarding the offsite improvements, he said that it was thought that it would be appropriate to recycle the loan funds within five years so that they can be used for other projects. He noted that had it not been for the dayworker center, the developer would not have to install the offsite improvements until the site permanently develops. He understands that there are added costs associated with installing improvements at this time based on the prevailing wages. However, there is an added benefit of installing the improvements at this time and not taking the chance for escalation or inflation of costs. He felt that a fair tradeoff exists.

Mr. Weston stated that he fully intends to be as aggressive as he can to build the permanent use facility. When he and Mr. Toy talked, it was felt that it would take him five years to get his Measure C allotments and go through the development process to obtain building permits. He said that he would be spending \$20,000 extra and requested some relief by making the next two years, following receipt of building permits, to pay back the loan in payments. He was not suggesting that the loan be repaid in seven years as it may be the case that the loan would be paid back in two years following receipt of building permits. He stated that he would be willing to accept a percentage interest rate following receipt of building permits.

Agency/Council Member Tate stated that it was his understanding that there was an agreement that Mr. Weston would pay back the loan in its entirety once he pulled permits.

Agency/Council Member Chang noted that Agency/Council Member Carr suggested that an interest rate be applied in years six and seven and that Mr. Weston has stated his agreement to this suggestion. She inquired as to the interest rate that would be suggested by staff?

Mr. Toy clarified that the City does not have a set guidelines with regards to interest rates. However, the Agency/Council can use the Local Agency Investment Fund (LAIF) that is currently under 3%. Applying a 3% interest rate would add approximately \$5,200 in interest payments. He said that it was his belief that Mr. Weston is requesting that he be given a two year window period to repay the loan once he pulls building permit. If Mr. Weston is able to pull building permits in the third year, he would have years four and five to repay the loan. However, it is conceivable that Mr. Weston can wait until year five to start repayment on the loan.

Agency/Council Member Tate said that he now understands what Mr. Weston is requesting and that he would support it as long as the City keeps the pressure on to get the development completed within five years. If Mr. Weston wants a couple of years to repay the loan beyond the five years to help offset the financial impacts, he did not have a problem with this.

Mr. Toy summarized that Mr. Weston is requesting that once he pulls his building permit, this would start the two year period by which he needs to pay back the loan. The loan is to be amortized over a two year period. Conversely, if Mr. Weston has not pulled his building permits by year five, beginning in year six, the City would start amortizing the payments until year seven. The loan is to be paid back at the end of seven years whether or not he has pulled permits. He said that the Agency/Council could identify an interest rate of 3% or greater.

Executive Director/City Manager Tewes suggested that the interest rate be tied to the LAIF interest rate; an equivalent to investing in a certificate of deposit.

Action: *Chair/Mayor Kennedy made a motion, seconded by Agency/Council Member Chang, to approve a 7-year loan, deferring payments and interest for the first five years. Payments to be amortized over two years. In years six and seven, an LAIF interest rate is to be applied. Should the applicant pull building permits anytime before five years, the two*

year amortization begins at the point of when building permits are pulled and the interest rate begins calculating at that point.

Agency/Council Member Tate said that he did not see an incentive for Mr. Weston to pull permits within the first five years with this motion.

Vice-chair/Mayor Pro Tempore Sellers expressed concern that the City would be in a position where Mr. Weston may have every intention of proceeding but because of Measure C, he would be precluded from proceeding and be doubly penalized. He felt that Mr. Weston would move as quickly as possible toward the permanent use of the site but that he suspected that the market would help push him along.

Agency/Council Member Carr inquired whether Agency/Council Member Tate has any suggested incentives. Would an incentive be to increase the interest rate in year six?

Agency/Council Member Tate felt that a higher interest rate might be a minor incentive but that it would signal the Agency/Council's intent.

Agency/Council Member Carr recommended that it be stated that the interest rate will be LAIF plus 1% and that it only be applied in year six and seven of the loan. If the applicant is able to pull building permits in year three, Mr. Weston would not be required to pay interest in years 3 and 4. If Mr. Weston waits five years to pull building permit, he would pay interest in years six and seven

Agency/Council Member Chang stated that she did not necessarily want the property owner to build homes in year three. She noted that a lot of the actions that have taken place to date were in order to support a dayworker center. The Agency/Council felt that in year five, the dayworker center would be able to find an alternative location.

Agency/Council Member Tate noted that year three is when the dayworker center needs to move off the site.

Agency/Council Member Chang indicated that only the interim use needs to be moved off the site but that the dayworker center may become a permanent use on the site. She did not know whether she wanted to include incentives as part of the loan agreement.

Chairman/Mayor Kennedy agreed with Agency/Council Member Chang. He did not see a downside of waiting the full seven years to have the loan repaid as the improvements will have been installed, a benefit to Depot Street and to the general area.

Agency/Council Member Tate expressed concern that there may be a situation where the dayworker center relocates after three years and the site sits vacant for four years in the heart of the downtown. He felt that the City needs to attach incentives that would encourage the developer to develop the site as soon as possible.

Vice-chair/Mayor Pro Tempore Sellers stated that he was comfortable that there were sufficient incentives in place (e.g., market forces and personal incentives).

Chairman/Mayor Kennedy stated that it would be acceptable to add the LAIF interest rate as was suggested as a compromise.

Agency/Council Member Tate noted that Agency/Council Member Carr suggested an interest rate of LAIF plus 1% interest rate due and payable in year six to signal the Agency/Council's intent that it wants the site to permanently develop as soon as possible.

Chairman/Kennedy stated that he hears the applicant stating that as this is a public project, he has to pay the additional costs associated with prevailing wages. He did not want to add an additional burden and that he would recommend staying with the LAIF rate.

Vote: The motion carried 5-0 (roll call vote).

Vice-chair/Mayor Pro Tempore Sellers noted that Agency/Council Member Carr stated that he was satisfied with the offsite improvement requirements and that he does not need to discuss this issue further.

City Council Action

PUBLIC HEARINGS:

7. COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ANNUAL ALLOCATION (FY 2004-2005)

Director of Business Assistance and Housing Services Toy presented the staff report. He informed the Council that the City received the same number of applications as it did last year. Therefore, staff recommends that the City continue funding programs at the same level as was provided last year with one exception: a new program that would fund youth transportation for lower income youth to the aquatics center. He indicated that that staff did not believe that the Lighthouse submitted an application but that a representative from the Lighthouse indicated that they submitted an application by the deadline. He informed the Council that the Lighthouse has requested \$20,000, noting that they received \$6,900 last year in CDBG funds, a roll over from the previous year. He said that the City has a situation where it would take funds from recommended organizations to provide funding to the Lighthouse or find other sources of funding. He noted that one funding alternative for the Lighthouse is to fund senior programs such as the Long Term Care Ombudsman Program and Operation Brown Bag from the Senior Housing Trust Fund, and then apply the \$5,800 in CDBG funds allocated for these projects and to the Lighthouse, \$1,000 less than the Lighthouse received last year. This alternative funding option would result in the Senior Housing Trust Fund coming up with an additional \$6,000.

Council Member Carr inquired how the Senior Housing Trust funds are generated.

Mr. Toy responded that the City does not currently generate funds to the Senior Housing Trust fund other than through interest. Originally, this money was acquired through Measure P for senior housing.

Mayor Pro Tempore Sellers opened the public hearing.

The following individuals thanked the Council for its continued support and funding: John Jackson, Ombudsman Program, representing Director Donna Dominico; Gloria Ortega, Catholic Charities for Depot Commons project; Marie Ellen Reynolds, Second Harvest Food Bank; Nancy Schuh, Catholic Charities for the Day Break Respite Program; Martin Eiliuer, Project Sentinel; Dina Campeau, Emergency Housing Consortium; Angela Coventry, Community Solutions for La Isla Pacifica; Lori Escobar, Community Solutions, for the El Toro Youth Center/Friday Night Jams; and America Romero, Dayworker Center.

John Edwards stated that the Lighthouse application was lost in the paperwork at City Hall. He requested that the Council provide funding for the Lighthouse.

Shaley Adams, Acting Director of the Lighthouse, addressed the services provided to the youth who patronize the facility. She informed the Council that the Lighthouse needs the Council's funding support.

No further comments being offered, the public hearing was closed.

Mayor Kennedy noted that there was a possibility of using some of the Senior Housing Trust to fund some of the senior projects/activities. He stated that he assumed that this fund draws interest. He inquired as to the annual interest rate and whether these funds can be used for one or more of these senior projects.

Mr. Toy indicated that approximately 2% interest is earned and that there is approximately \$200,000 in the account, earning approximately \$4,000 a year in interest. He stated that the Senior Housing Trust fund can be used for senior programs/activities.

Mayor Kennedy noted that the Senior Housing Trust fund earns approximately \$4,000 in interest, and that this amount is close to the amount being recommended for the Live Oak Adult Daycare. He recommended that this program be funded from the Senior Housing Trust Fund and shift the \$3,990 to the Lighthouse.

Mayor Pro Tempore Sellers noted that the staff report recommends that the Long Term Ombudsman Program and the Operation Brown Bag program be funded through the Senior Housing Trust funds. These two requests equate to \$5,880. Should the Council agree to fund \$3,990 to the Lighthouse, it would be in addition to this amount.

Mayor Kennedy did not know if the Council wants to shift all of the money from the Senior Housing Trust Fund. He wanted to keep a bulk of the Senior Housing Trust fund intact as much as possible.

Mr. Toy indicated that the Lighthouse was funded \$6,893 dollars last year. However, this amount was a roll over from the previous fiscal year. Therefore, it was not an allocation from the new fund and that it was existing funding that was rolled over.

Council Member Carr noted that staff is recommending that the Council take the Long Term Care Ombudsman Program and the Operation Brown Bag and fund these two amounts from the Senior Housing Trust fund. This would result in making \$5,880 in CDBG funding for the Lighthouse.

Action: *Council Member Carr made a motion, seconded by Council Member Tate, to **Adopt** the Resolution for Appropriation of Fiscal Year 2004-2005 CDBG Funds, allocating resources from the Senior Housing Trust Fund program to the Long Term Ombudsman Program and the Operation Brown Bag from the Senior Housing Trust Fund; using the balance of CDBG funding to assist the Lighthouse (\$5,880).*

Council Member Chang inquired whether there was a possibility to add another \$1,000 from the Senior Housing Trust fund to match last year's funding.

Mr. Toy indicated that the City would be taking \$1,000 from CDGB funds from one of the organizations (e.g., Live Oak Adult Day services) and replacing it with \$1,000 from the Senior Housing Trust.

Council Member Carr felt that the Council needs to be careful because the City is already drawing down the Senior Housing Trust fund by approximately \$13,000. Although this is not much when it comes to a \$200,000 account, these funds will eventually run out. He felt that the Council needs to be carefully with these funds as what is being proposed with this action is a little more than the interest earns. Therefore the funds are still being drawn down. If the Council continues drawing from this account, it will allow less funding in the future. He noted that there is concern about the CDBG program being available in the future with the current federal budget. Therefore, he would prefer to support the motion as stated.

Mayor Pro Tempore Sellers stated that this is always one of the heartening and simultaneously heartbreaking items that the City has to undertake as there is an incredible amount of work/services that takes place in this community, and that the needs are never met by the meager resources.

Vote: The motion carried 5-0 (roll call vote).

Action: *On a motion by Council Member Carr and seconded by Council Member Tate, the City Council, on a 5-0 vote (roll call vote), **Authorized** the City Manager to do Everything Necessary for the Implementation of the CDBG Program, Including Execution of all Required Contracts.*

8. ZONING AMENDMENT, ZA-03-10; DEVELOPMENT AGREEMENT, DA-03-06: WATSONVILLE-SOUTH COUNTY HOUSING

Director of Community Development Bischoff presented the staff report, indicating that there is a development agreement associated with the zoning amendment application that has to be heard by the

Council that said applicant will not be ready until the Council's April 7, 2004 meeting. He recommended that the Council continue the public hearing to April 7, 2004 to allow the Council to consider all of the applications at the same time.

Mayor Pro Tempore Sellers opened the public hearing. No comments were offered.

Action: *On a motion by Council Member Carr and seconded by Council Member Chang, the City Council, on a 5-0 roll call vote, **Continued** the Public Hearing to April 7, 2004.*

City Council Action

OTHER BUSINESS:

9. URBAN LIMIT LINE STUDY – AMENDMENT OF SCOPE OF WORK TO ADD AN IMPLEMENTATION PROGRAM AND AMEND THE CONSULTANT CONTRACT WITH MOORE IACOFANO GOLTSMAN

Director of Community Development Bischoff presented the staff report. He informed the Council that in attendance this evening were Urban Limit Line Committee members Ann Beale, Tim Chiala, Janice Guglielmo, Art Puliafico, Joe Mueller and Bruce Tichinin. He presented a brief history of the project and talked about how the Committee ended up to where it is today. He indicated that the Urban Limit Line process began in early 2003, with the City hiring the firm of Moore Iacofano and Goltsman to assist with this effort. He stated that in February 2003, the Council appointed a 16-member committee to undertake the urban limit line/greenbelt study. He indicated that Mayor Kennedy chairs this committee and that Council Member Chang also serves on this committee. He informed the Council that the study not only deals with an urban limit line but a couple of issues of interest to the County and the City: 1) view shed protection and 2) large group assembly facilities that may want to locate outside the City limit. He indicated that the County has been an active participant to date and that the work program has been approved by the Council and endorsed by the Santa Clara County Board of Supervisors. He addressed the original scope of work for this project such that the committee would establish an urban limit line and begin to look at issues that would take place outside this line in terms of a greenbelt. He said that there was an assumption that once the line was established and some sense of what the committee wanted to do outside of the boundary, the City would undertake an implementation study, a separate project. When the City became involved with the committee, it became clear that the committee felt that it was critical that the implementation plan be an integral part of this process. He stated that many of the committee members felt that it was important to know what the City would do in terms of implementation before they could determine where an urban limit or greenbelt would be, including knowing what the tools would be and how it would be implemented. As a result of this strong feeling, the committee directed staff to develop an amendment to the scope of work for this project and charged staff with coming up with an implementation plan that could be undertaken without adding costs. He informed the Council that staff went through a number of iterations of an amended scope of work to include an implementation program. In February, the committee endorsed the proposed implementation plan that was before the Council at its first meeting in March 2004 and before the Council again this evening.

Planning Consultant Ken Schreiber addressed the work history that the committee has undertaken to date and described the implementation plan the committee is recommending to the Council. He stated that a greenbelt carries an expectation that at some point in time there will be some way to acquire land by a public agency, non profit agency, or a land trust. It may mean acquiring easements or conservation easements. He stated that this is one of the items that have led to the intense interest in focusing on an implementation plan. He informed the Council that the committee has worked to identify an urban limit line and greenbelt areas. He indicated that there are preliminary decisions and works in progress, noting that there is still a public process to go through. However, the committee has had a great deal of public participation in addition to committee meetings. He identified the areas discussed by the committee as a specific urban limit line and greenbelt areas for various parts of the City. He stated that the last area looked at and has caused a struggle for the committee is the southeast quadrant of the City which includes the area east of Highway 101, south of San Pedro, Foothill and Maple Avenues. He noted that this area is primarily flat land and that could easily be developed at some point in time as urban uses. He informed the Council that the issue of implementation has become the most intensely discussed issue. In response to a General Plan policy requesting that the committee investigate an industrial park east of Highway 101, the committee adopted a motion to consider having a 200± acre industrial park in the vicinity of Tennant and Murphy Avenues. He indicated that a specific location would be identified in the future update of the General Plan and is not being identified as part of this process. He stated that this action was approved by a vote of 12-2 of the advisory committee.

Council Member Carr felt that one of the main purposes of this task force, as called for in the current General Plan, is to identify the location of an industrial park. He said that it sounds as though the committee is stating that it will not meet this goal, putting off the goal until the next general plan update.

Mr. Bischoff said that the charge of the committee was to determine whether there was a need for an industrial park. He said that part of the background information provided to the committee was an inventory of vacant land available. He indicated that there were several hundreds of acres of land currently available. Therefore, the question was whether there was a need to designate an area for an industrial park at this point in time. He stated that the committee felt that there was not a need for an industrial park, given the necessary processes that must be followed with LAFCo and others such that designating an area for an industrial park, short term, was not a good idea.

Council Member Chang indicated that she and Council Member Carr served on the General Plan task force. She remembers clearly that the City was to designate an industrial park. She stated that the committee has not addressed this goal based upon an interpretation of what was stated in the general plan.

Mayor Kennedy said that it was his understanding that if the City was to specifically locate an industrial park; this would trigger the requirement of an environmental impact review, something that the City was trying to avoid.

Mr. Schreiber said that should the City designate a specific location for an industrial park, the designation would have to be a part of the environmental review process. He said that one of the critical

issues that would rise to the surface would be the mitigation for the loss of prime agricultural land. He noted that the City of Morgan Hill does not have a mitigation program in place for the loss of prime agricultural land. He said that the City of Gilroy is trying to wrestle with this issue. He indicated that the conclusion that staff and the committee came to is that LAFCo would not allow the expansion of an urban boundary, especially if there is a lot of vacant land available. If land is designated as an industrial park at this time, the City would have to turn this process into one that identifies an agricultural mitigation policy. It was the conclusion that the City should wait to see what the City of Gilroy comes up with and then work with LAFCo as this could become a difficult process; one that would add considerable time and expense to the process. He indicated that the consultant work program includes an assumption of an EIR. He said that there may be a way to avoid performing an EIR such as the preparation of a mitigated negative declaration. However, this decision can only be made after the committee reaches a set of recommendations, and staff/consultant performs an analysis as to what type of impacts the City is looking at and what type of environmental document would be appropriate. He stated that the way that the process is now structured, the timeline has the committee making a recommendation by late this year and that the issue would come before the City Council. The Council would review the committee's recommendations and authorize the environmental review. It is at this point that the consultants and legal advisors would give the City a clear indication of the type of environmental review required by law. Should the Council wish to revisit the industrial land use issue, this decision should be made sooner rather than later as the work to be undertaken in the next couple of months would be different and would need to be supplemented with the issue of an agricultural mitigation. He stated that the Council could revisit the issue at the end of the year. However, before the environmental review could be finalized and circulated, the City would need to come up with a mitigation package for the agricultural land loss.

Council Member Chang recommended that the Council discuss whether or not it should complete the general plan goal. She expressed concern that this project is being done half way correct. She said that the City tentatively agreed to a 200 acre industrial park but did not define where the park should be located. She said that the City will end up spending \$250,000 and that she does not want to get to a point where the Council does not have defined goals.

Mayor Pro Tempore opened the floor to public comments.

Ann Beale stated that although it has been a difficult effort, she felt that the committee/City is achieving something worthwhile and that she would like to see this effort continue.

Tim Chiala stated that he supports the new scope of work as it will clarify what will take place. He felt that the new scope of work will ease some concerns and scepticism about some items.

Jan Guglielmo expressed concern with the assessment district being discussed as one way to pay for the greenbelt. It was her view that this would be asking one segment of the community to pay for a greenbelt that everyone in the community would be enjoying was not a democratic way of proceeding. She requested that the City take a closer look at this concern, in light of today's economy and the fact that everyone is having a hard time paying for things. She requested that the Council keep this in mind. She noted that the City discussed a greenbelt in 1980 and that it is now 2004. She did not know if the

City could afford to implement a greenbelt today. She noted that there are many individuals residing in the area. When these individuals find out what is taking place, many will have opinions. She recommended that a mailer be sent to property owners to advise them that their lands are being discussed and contemplated for change. She felt that any action taken by the City will affect many individuals who live in the area, many for over 80 years. She felt that these property owners have been guardians of the land and care about the land.

Joe Mueller felt that this was an important issue and that the most difficult area is the southeast quadrant of the City, noting that this is a flat area and that there is a fair amount of development potential. He said that individuals have worked for years to maintain the quality of life in Morgan Hill. He felt that the City is rapidly coming to the time where development pressure on this quadrant would become even more so. He felt that it would behoove the citizens and the landowners to start the long planning process. He stated that this was the first step in working through the planning process. He said that the area contains a little over 1,000 acres, half the size of the urban reserve that the City of San Jose is starting with on their planning process. He recommended that the City and the landowners work together through the issues in order to plan for something that is a win for everyone. He said that there will be lots of discussion undertaken; some being heated discussions but that it is worth the effort. He said that it is critical to have the landowners a part of the process. Regarding the industrial land issue, the real issue is the agricultural mitigation. It will be critical to see how Gilroy comes up with their agricultural mitigation so that the City can make a decision on an agricultural mitigation plan. An alternative would be for the City to have trigger thresholds of certain events to proceed with the plan as opposed to waiting for the next general plan update. This would meet part of the intent of the general plan and allow the City to leverage work that is taking place rather than duplicating it efforts unnecessarily.

Art Puliafico felt that the business park area should be more specific for the 200± acres than being defined, broad-based. When the City came up with the 200 acres, it was based on a staff report that estimated that there was approximately 650 acres of vacant industrial land available at the time. These numbers have come down to 430 acres. He noted that some of the 650 acres are located outside the urban service area and that in order to receive approval it would have to go through LAFCo and the preparation of an EIR. He indicated that the general plan currently calls for an industrial business park south of Tennant Avenue, at the extension of Butterfield. He noted that this area is outside of the City's urban service area and would have to go through LAFCo. He said that the Tennant area consists of approximately 150 acres. He stated that he has some questions regarding the agricultural mitigation requirements as he could not find anywhere where it is specifically required by LAFCo. There is a question of waiting for Gilroy to come up with their agricultural mitigation policy. He felt that Morgan Hill was different from Gilroy as Gilroy has 5-10 times more prime agricultural land than Morgan Hill. He did not believe that the Morgan Hill can apply whatever Gilroy comes up with because the ratio acreage is skewed.

Bruce Tichinin felt that the fact that Gilroy is struggling with the similar issue should demonstrate to the Council that the urban limit line committee is not doing any worse in trying to grapple with these very serious and challenging issues. It was his belief that the City would find a way to preserve a greenbelt that all residents will appreciate, including compensating the landowners for any incidents of title

easement or fee titles that need to be acquired in order to make sure that the greenbelt will become permanent for all generations to come. He requested that everyone be patient.

Gordon Jacoby stated that the work of the committee has been good and important. It also includes a greentbelt program and how to deal with the agricultural mitigation. He felt that the City can integrate the two. He said that there were two primary purposes behind the general plan policy. When the general plan was completed, the general plan recognized that it would be highly probable that the City would run out of prime industrial land within the general plan period (10 years). As a result, two new industrial sites were suggested: 1) 150 acres south of Tennant, west of the Freeway; and 2) Condit Road, between Dunne and Cochrane Road. He felt that both of these areas were problematic, particularly the Tennant Avenue area as there are multiple land holdings and individuals residing in the area. He recalled that there was discussion about the possibility of taking the new industrial park and using it in some fair way to help finance a future greenbelt. He noted that the committee has come to a conclusion that a business park makes sense but that it has postponed any decisions on it for six years. He said that once a decision is made at a general plan level, it would take another 4-5 years before the City could welcome someone into the business park as it would have to go through LAFCo, zoning, design guidelines, and financing the improvements. Adding these factors together indicates that the City would not have another new business park until 10-11 years out. He disagreed with the projections of supply. He indicated that he presented to the committee a detailed list of what he views as prime industrial sites that would attract the kinds of companies that have located in Morgan Hill in the last 6-7 years. He came up with a total of 150 vacant acres. He said that the 400-600 acres include the problematic sites, the ones that have already been subdivided. He stated that the sites included in the new general plan were approved without any agricultural mitigations. He felt that the City needs an agricultural mitigation policy whether or not the City moves forward with the sites. It was his belief that in less than five years, the City will start to run out of prime industrial lands and the Council will need to have the workings of a new business park heading down the entitlement role or the City will not have a business park at the time that it runs out of vacant land.

Dan Puliafico, property owner in the area being discussed, stated that he has heard a lot of talk about protecting farm land. He inquired who has talked to the farmers in the area. He informed the Council that his family has been farming for over 50-60 years. If a property owner is not able to make it on their land, others will not be able to make it either. He noted that Tennant Avenue is a major thoroughfare and is no longer considered a country road. He indicated that he spoke to a member on the LAFCo board who inquired why the City has not submitted a preliminary application to LAFCo as it would not trigger an environmental impact report. He recommended that the City submit a preliminary application with LAFCo. He felt that it would be good to get a consensus from the farmers/property owners of the area because he did not believe that there were farmlands available to protect any longer.

No further comments were offered.

Mayor Pro Tempore Sellers inquired whether there was a possibility of an expanded notification or a way to identify some of the key areas and provide notification.

Mr. Bischoff informed the Council that the urban limit line workplan, as it exists today, includes a community workshop. He stated that once the committee reached a preliminary indication of what it thinks it would like to recommend to the Council, staff would notify the public of the tentative plan and conduct a public workshop to gather community input on the plan. Once the committee concludes its recommendation, public hearings will be held before the Planning Commission and the City Council. He said that the City could undertake a greater outreach effort. He indicated that staff would look into the comments relating to a preliminary application with LAFCo. He noted that the amended scope of work talks about developing an implementation plan. Should the Council believe that designation of land at this point is appropriate; the Council should enter into discussions. He addressed the specific action item as contained in the general plan. He stated that the general plan goal states that the greenbelt plan is to include a comprehensive planning effort to evaluate appropriate land uses in the rural county areas surrounding the City. Further, the plan shall specifically evaluate the potential for an industrial park southeast of Tennant Avenue and the Highway 101 interchange. He noted that the general plan policy indicates the potential for an industrial park but does not state that as part of this effort, the committee will designate an industrial park.

Mayor Pro Tempore Sellers felt that if the committee determines that there were specific areas where it is important that property owners should be notified that these areas be identified. He noted that the general plan policy, as it relates to the designation of an industrial park, does not address the issue of whether it is appropriate to so designate at this time or whether the City should wait. He felt that this was something that the Council needs to consider. He noted that it has been determined that the Council would not be acting on this item this evening and that the item would be continued to April 7.

Mr. Bischoff indicated that staff would be walking the Council through the implementation plan being recommending, should it be necessary. Also, to be discussed are alternative means for further Council involvement in this process. He said that these can be discussed at the April 7 meeting.

Mayor Kennedy stated that at one of the committee meetings held earlier this year, it was recognized that it would be difficult to move forward with the southeast quadrant. Therefore, a subcommittee of the urban limit line was appointed consisting of Alex Kennett, George Thomas, Tim Chiala, Joe Mueller and Ann Beale. He stated that this subcommittee was charged with developing a master plan for the southeast quadrant, looking at industrial, commercial, and open space for this area. The subcommittee will be reporting back to the urban limit line committee. He stated that the subcommittee's mission is to develop a master plan for the southeast quadrant that will address many of the issues discussed. He recommended that the subcommittee be allowed to finish their work, and that the Council proceed with the staff recommended action at the April 7 meeting; discussing proceeding with the implementation program as well as amending the consultant contract.

Council Member Tate stated that it was his belief that this item was calendared this evening to solicit Council direction before item 12 is chartered so that the Council does not have the committee going off in a direction, performing a lot of work only to return to the Council and be told that this was not the direction it was given. He recommended that the Council provide the committee with direction to make sure that the process is as efficient as possible. When he read workplan item 8, acquisition, principals, and priorities, he felt that this item was striking at the heart of the matter of the issues that are coming

forth with the southeast quadrant of the city. He noted that there is an item contained in the workplan that stipulates review of the draft principals and priority categories for the City Council. He was not sure when this was to take place. He felt that the committee appears to be proceeding with a lot of the things that the Council is trying to accomplish with the addition of item 12, specifically for the southeast quadrant. He felt that the Council had a good workplan in place that would bring some items before it that would help with the southeast quadrant in an overall principal and priority stand point. He inquired whether this is part of what the Council is trying to do as he did not hear any members of the committee bringing specific questions before the Council that would help shortcut the process.

Mayor Kennedy felt that Council Member Tate was correct with respect to the Council direction to the subcommittee. He felt that it was important that the subcommittee has input of the Council to make sure that they are headed in the right direction.

Mr. Bischoff informed the Council that the committee has a meeting scheduled in April and that the agenda for this meeting will deal with the view shed protection. He stated that this item is separate and apart from the implementation plan. Deferring any action until April 7 would not affect the committee's meeting. Under the current workplan, the committee is charged with checking in with the Council 2-3 times. He stated that two status reports have been presented to the Council. He said that all three of the options that staff has included for Council involvement does not get to what Council Member Tate was suggesting; that direction is provided by the Council before implementation commences. He recommended that staff be given the opportunity to walk the Council through the implementation plan. The Council can discuss the plan and provide staff with direction.

Council Member Tate said that instead of redoing Council involvement to have interactive workshops, if the current workplan already gives the Council what it needs in terms of a natural sequence of events, there is not a need to change the workplan a lot.

Mayor Pro Tempore Sellers noted that the Council will have another opportunity to review the implementation plan on April 7 prior to any additional action taking place. He recommended that the Council defer any further discussion and presentation to April 7.

Council Member Carr said that he would be willing to wait until April 7 as he would like to be walked through the implementation plan as he has some concerns. He said that the Council needs to be very careful and clear on its direction as the committee moves forward. He recommended that the task force understands what their task is at the beginning, proceed with the workplan, work on the task, and then bring the product back to the Council for discussion and consideration.

Action: *By consensus, the Council continued this item to April 7, 2004*

Redevelopment Agency and City Council Action

CLOSED SESSIONS:

City Attorney/Agency Counsel Leichter announced the below listed closed session items.

CLOSED SESSION:

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Authority:	Government Code Sections 54956.9(b) & (c)
Number of Potential Cases:	2

Mayor/Chairman Kennedy and Council/Agency Member Tate excused themselves from the remainder of the meeting.

OPPORTUNITY FOR PUBLIC COMMENT

Vice Chair/Mayor Pro Tempore Sellers opened the Closed Session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Vice Chair/Mayor Pro Tempore Sellers adjourned the meeting to Closed Session at 9:46 p.m.

RECONVENE

Vice Chair/Mayor Pro Tempore Sellers reconvened the meeting at 9:56 p.m.

CLOSED SESSION ANNOUNCEMENT

Agency Counsel/City Attorney Leichter announced that no reportable action was taken in closed session.

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

ADJOURNMENT

There being no further business, Vice Chair/Mayor Pro Tempore Sellers adjourned the meeting at 9:57 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, AGENCY SECRETARY/CITY CLERK



REDEVELOPMENT AGENCY

MEETING DATE: April 7, 2004

CHAMBER OF COMMERCE QUARTERLY ECONOMIC DEVELOPMENT PARTNERSHIP (EDP) REPORT

RECOMMENDED ACTION(S): Accept the Report

EXECUTIVE SUMMARY: The Morgan Hill Chamber of Commerce completed its Economic Development Partnership (EDP) sponsorship plan and submitted it to the Economic Development Committee (EDC) at its February meeting. The Chamber retained Bob Martin and John Varela to help them market the plan.

Attached is a memorandum from Sunday Minnich and Bob Martin outlining their first quarter achievements. At the meeting, the Chamber will make a presentation regarding their marketing plan and progress to date.

FISCAL IMPACT: None

Agenda Item # 20

Prepared By:

BAHS Analyst

Approved By:

BAHS Director

Submitted By:

Executive Director



CITY COUNCIL/REDEVELOPMENT AGENCY

MEETING DATE: *April 7, 2004*

WATSONVILLE ROAD TEACHER HOUSING PROJECT

RECOMMENDED ACTION(S):

1. Open the public hearing; and 2. Close the public hearing; and 3. Adopt resolutions of the Morgan Hill Redevelopment Agency (Agency) and the City of Morgan Hill approving a Disposition and Development Agreement (DDA) and Loan Agreement with South County Community Builders (SCCB) for the development of teacher housing on the Agency-owned property at the North West corner of Watsonville Road and Calle Sueno; and 4. Authorize the Executive Director to do everything needed to execute and implement the agreements.

EXECUTIVE SUMMARY:

On February 18, 2004, the City Council directed staff to proceed with the 10-unit housing development concept for the Agency-owned one-acre property at the north-west corner of Watsonville Road and Calle Sueno. The developer, SBBC (an affiliate with the same board of directors as South County Housing) has refined the project concept and pro-forma. The project will consist of 10, three and four-bedroom single-family for-sale homes, targeting lower and moderate income school teachers working for the Morgan Hill Unified School District and Morgan Hill Charter School. The deal consists of the sale of the property by the Agency to SBBC and an Agency loan for a portion of the construction costs.

Of the estimated \$4,216,354 in total project costs, SBBC is requesting a five-year, \$875,000 loan from the Agency, which includes \$400,000 in land sale costs. The interest rate charged will be equal to that of the Local Agency Investment Fund (LAIF) at the time of loan closing. This Agency per unit investment in the project is \$87,500. The developer has already received \$150,000 in pre-development financing. This amount will be rolled-into the \$875,000 loan. Upon the sale of the units, the Agency will forgive up to \$575,000 of the SBBC loan, which will be used to "buy-down" the price of the lower-income units to make them affordable to entry level teachers; there will not be any down-payment assistance loans to the buyers of these units. Approximately \$300,000 of the SBBC loan will be assumed by the six moderate-income home buyers as down-payment assistance loans. While these loans could be due and payable upon resale, our goal in this project is to recycle the loan to the next eligible buyer. Any funds not used for either the subsidy or the "buy down" will be repaid to the Agency. SBBC is required to pay to the Agency for the accrued simple interest.

The homes will have 45 year resale restrictions, as required by Redevelopment law, which will be enforced through recorded agreements with the individual homebuyers. If a homebuyer resides in the home for the full term of the restrictions (45 years), the Agency's down-payment assistance loan will be forgiven.

The project is slated to start construction in October 2004 and completed in Fall 2005.

FISCAL IMPACT: The Agency has budgeted sufficient funds in its 327 Housing Set-Aside account for the requested SBBC loan.

Agenda Item # 21

Prepared By:

BAHS Manager

Approved By:

BAHS Director

Submitted By:

Executive Director

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF MORGAN HILL APPROVING A DISPOSITION AND
DEVELOPMENT AGREEMENT AND A LOAN
AGREEMENT WITH SOUTH COUNTY COMMUNITY
BUILDERS**

RECITALS

WHEREAS, in order to effectuate the provisions of the Community Development Plan (the “Redevelopment Plan”) for the Ojo de Agua Community Development Project (the “Project Area”), originally adopted by City Ordinance No. 552 on June 3, 1981, and as amended and restated by the Amendment to the Community Development Plan for the Ojo de Agua Community Development Project adopted by City Ordinance No. 1429 N.S. on May 5, 1999, the Morgan Hill Redevelopment Agency (the “Agency”) proposes to enter into a disposition and development agreement (“DDA”) and a loan agreement (“Loan Agreement”) with South County Community Builders, a California nonprofit public benefit corporation with respect to land currently owned by the Agency and located at the northwest corner of Calle Sueno and Watsonville Road, in the City of Morgan Hill, California designated as Assessor’s Parcel Number 767-23-17 (the “Property”) pursuant to which the Agency would sell the Property to the Developer and provide a loan to the Developer for the acquisition and development of that property as lower and moderate income housing targeting teachers working for the Morgan Hill Unified School District and Morgan Hill Charter School who are first-time home buyers.

WHEREAS, the City Council of the City of Morgan Hill has previously determined that the Project Area is an area in which the combination of conditions of blight is so prevalent and so substantial that there is a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment. Among other things, the Project Area contains vacant and underutilized properties, properties which suffer from economic dislocation, deterioration or disuse, including depreciated or stagnant property values and impaired investments, aged and obsolete buildings, and a lack of affordable housing. Such conditions tend to further deterioration and disuse because of the lack of incentive to landowners and their inability to improve, modernize or rehabilitate their property while the condition of the neighboring property remains unchanged;

WHEREAS, the sale of the Property is expected to implement the purposes of the Redevelopment Plan for the Project by causing the development of low and moderate income housing in accordance with the Redevelopment Plan;

WHEREAS, Health and Safety Code Section 33433 requires that before any property of the Agency acquired in whole or in part with tax increment revenue is sold, such sale shall first be approved by the legislative body after public hearing;

WHEREAS, Health and Safety Code Section 33433 also requires that a Summary Report be made available for public inspection; and

WHEREAS, the Summary Report has been made available for public inspection in the manner required by Section 33433;

WHEREAS, notice of a joint public meeting to be held by the City Council and the Agency regarding the approval for the sale and loan has been duly given in the manner required by law;

NOW, THEREFORE, based on the evidence presented to the City Council, including the written staff report and oral testimony in this matter, and the Summary Report prepared pursuant to Section 33433 of the California Health and Safety Code, the City Council does hereby find, determine, resolve and order as follows:

Section 1. The DDA and the Loan Agreement should assist in the elimination of blight in the Project Area and will provide housing for low and moderate income persons and is consistent with the implementation plan for the Project Area adopted pursuant to Health and Safety Code Section 33490.

Section 2. The consideration for the Property is not less than the fair market value of the Property at its highest and best use in accordance with the implementation plan for the Project Area.

Section 3. The City Council hereby approves the DDA and Loan Agreement in the forms attached hereto and hereby authorizes the Agency to take such actions, perform such deeds and execute, acknowledge and deliver such instruments and documents as it deems necessary in connection therewith.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of April, 2004 by the following vote.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

🍷 CERTIFICATION 🍷

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

RESOLUTION NO. MHRA - ____

**A RESOLUTION OF THE CITY OF MORGAN HILL
REDEVELOPMENT AGENCY APPROVING A
DISPOSITION AND DEVELOPMENT AGREEMENT AND
A LOAN AGREEMENT WITH SOUTH COUNTY
COMMUNITY BUILDERS**

RECITALS

WHEREAS, in order to effectuate the provisions of the Community Development Plan (the “Redevelopment Plan”) for the Ojo de Agua Community Development Project (the “Project Area”), originally adopted by City Ordinance No. 552 on June 3, 1981, and as amended and restated by the Amendment to the Community Development Plan for the Ojo de Agua Community Development Project adopted by City Ordinance No. 1429 N.S. on May 5, 1999, the Morgan Hill Redevelopment Agency (the “Agency”) proposes to enter into a Disposition and Development Agreement (“DDA”) and a loan agreement (“Loan Agreement”) with South County Community Builders, a California nonprofit public benefit corporation (“Developer”) with respect to land currently owned by the Agency and located at northwest corner of Calle Sueno and Watsonville Road in Morgan Hill, California designated as Assessor’s Parcel Number 767-23-17 (the “Property”) pursuant to which the Agency would sell the Property to the Developer and provide a loan to the Developer for the acquisition and development of the Property as lower and moderate income housing targeting teachers working for the Morgan Hill Unified School District and Morgan Hill Charter School who are first-time home buyers.

WHEREAS, the Agency has previously determined that the Project Area is an area in which the combination of conditions of blight is so prevalent and so substantial that there is a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical, social and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment. Among other things, the Project Area contains vacant and underutilized properties, properties which suffer from economic dislocation, deterioration or disuse, including depreciated or stagnant property values and impaired investments, and aged and obsolete buildings and a lack of affordable housing. Such conditions tend to further deterioration and disuse because of the lack of incentive to landowners and their inability to improve, modernize or rehabilitate their property while the condition of the neighboring property remains unchanged;

WHEREAS, the sale of the Property is expected to implement the purposes of the Redevelopment Plan for the Project by causing the development of the Property for low and moderate income housing in accordance with the Redevelopment Plan;

WHEREAS, Health and Safety Code Section 33433 requires that before any property of the Agency acquired in whole or in part with tax increment revenue is sold, such sale shall first be approved by the legislative body after public hearing;

WHEREAS, Health and Safety Code Section 33433 also requires that a Summary Report be made available for public inspection; and

WHEREAS, the Summary Report has been made available for public inspection in the manner required by Section 33433;

WHEREAS, notice of a joint public meeting to be held by the City Council and the Agency regarding the approval for the sale and loan has been duly given in the manner required by law;

NOW, THEREFORE, based on the evidence presented to the Agency, including the written staff report and oral testimony in this matter, and the Summary Report prepared pursuant to Section 33433 of the California Health and Safety Code, the Morgan Hill Redevelopment Agency does hereby find, determine, resolve and order as follows:

Section 1. The DDA and the Loan Agreement should assist in the elimination of blight in the Project Area and will provide housing for low and moderate income persons and is consistent with the implementation plan for the Project Area adopted pursuant to Health and Safety Code Section 33490.

Section 2. The consideration for the Property is not less than the fair market value of the Property at its highest and best use in accordance with the implementation plan for the Project Area.

Section 3. The Agency hereby approves the DDA and the Loan Agreement in the forms attached hereto and hereby directs its Executive Director and/or any other authorized officers to take such actions, perform such deeds and execute, acknowledge and deliver such instruments and documents as it deems necessary in connection therewith.

PASSED AND ADOPTED by the Morgan Hill Redevelopment Agency at a Special Meeting held on the 7th Day of April, 2004 by the following vote:

AYES: **AGENCY MEMBERS:**
NOES: **AGENCY MEMBERS:**
ABSTAIN: **AGENCY MEMBERS:**
ABSENT: **AGENCY MEMBERS:**

🍷 CERTIFICATION 🍷

I, **IRMA TORREZ, AGENCY SECRETARY**, do hereby certify that the foregoing is a true and correct copy of Resolution No. MHRA- adopted by the Morgan Hill Redevelopment Agency at a Special Meeting held on April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, AGENCY SECRETARY



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

Agenda Item #22

Prepared By:

Senior Planner

Approved By:

**Director of Community
Development**

Submitted By:

City Manager

DA 03-06/ZA 03-10: WATSONVILLE-SOUTH COUNTY HOUSING

RECOMMENDED ACTION(S):

1. Open/close Public Hearing
2. Waive the First and Second Reading of Ordinance Approving the Zoning Amendment
3. Introduce Ordinance
4. Waive the First and Second Reading of Ordinance Approving the Development Agreement
5. Introduce Ordinance

EXECUTIVE SUMMARY: A request for approval of a 10 unit precise development plan on a 1.00 acre site and a development agreement for the 10 lot teacher housing project proposed on the northwest corner of the intersection of Watsonville Rd. and Calle Sueno.

In April 2003, the proposed project received 12 building allocations through the City's RDCS affordable housing competition. On February 18, the Council reviewed and discussed various development alternatives for the project. At the February meeting the Council agreed the project density should be reduced from 12 to 10 units.

Per Council direction, the proposed precise development plan consists of 10 single family detached units. Access to all of the units within the project will be provided off of a private drive aisle which takes access from Calle Sueno. Each of the 10 units will be on individual parcels ranging in size from 2435 sq. ft. to 4280 sq. ft. The project is also proposing a common park area located on the north side of the project behind lots 9 & 10. The changes proposed within the plan have not reduced the project's RDCS score.

The purpose of the RPD overlay district (Chapter 18.18 of the Municipal Code) is to permit and encourage flexibility and variations in site planning. The proposed development will enhance the area in which it is proposed by exceptional design and arrangement of buildings, provision of open space and landscaping, the protection of the welfare and privacy of adjoining property, or the construction and reservation of housing units for lower income or senior households. The proposed project is 100 percent affordable. All of the units will be reserved for sale to teachers employed with the Morgan Hill Unified School District or members of the City of Morgan Hill Police Department. The proposed 10 unit plan requires some reductions in site development standards such as setbacks and lot dimensions but the project as proposed, now meets the City's requirements for the number of on-site parking spaces.

Development agreements are required as a formal contract between the developer and the City. The Development Agreement formalizes the commitments made during the Measure P process and establishes the development schedule for the project. The project specific commitments are identified in Paragraph 14 of the Development Agreement, and the development schedule is contained in Exhibit B.

FISCAL IMPACT: No budget adjustment required.

ORDINANCE NO. , NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A ZONING AMENDMENT FROM R-2 3,500 TO R-2 3,500/RPD RESIDENTIAL PLANNED DEVELOPMENT OVERLAY AND ADOPTION OF A PRECISE DEVELOPMENT PLAN FOR A ONE ACRE PARCEL LOCATED ON THE NORTH WEST CORNER OF WATSONVILLE ROAD AND CALLE SUENO (APPLICATION ZA-03-10: WATSONVILLE – SOUTH COUNTY HOUSING APN 767-23-017)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

- SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** An environmental initial study has been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A Mitigated Negative Declaration has been filed.
- SECTION 4.** The City Council finds that the proposed RPD and Precise Development Plan are consistent with the criteria specified in Chapter 18.18 & 18.47 of the Morgan Hill Municipal Code.
- SECTION 5.** The City Council hereby approves the Precise Development Plan as contained in that certain series of documents date stamped March 10, 2004 on file in the Community Development Department, entitled “Viale-South County Housing” prepared by Dahlin Group/RJA & Assoc./Smith & Smith. These documents, as amended by site and architectural review, show the location and sizes of all lots in this development and the location and dimensions of all proposed buildings, vehicle and pedestrian circulation ways, parking areas, landscape areas and any other purposeful uses on the project.
- SECTION 6.** The City Council hereby approves the amendment to the City Zoning Map as shown in attached Exhibit “A”.
- SECTION 7.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 7. Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 7th Day of April 2004, and was finally adopted at a regular meeting of said Council on the 21st Day of April 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. ____, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 21st Day of April 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

ORDINANCE NO. , NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING DEVELOPMENT AGREEMENT, DA 03-06 FOR MP 02-26: WATSONVILLE-SOUTH COUNTY HOUSING (APN 767-23-017)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. The Planning Commission, pursuant to Title 18, Chapter 18.78.125 of the Municipal Code and Resolution No. 03-22, adopted April 22, 2003, has awarded allotments to a certain project herein after described as follows:

<u>Project</u>	<u>Total Dwelling Unit</u>
MP 02-26: Watsonville-So. Co. Housing	12 Single-Family Attached Homes*
*Project reduced to 10 units through zoning amendment approval of a precise development plan.	

SECTION 4. Due to a reduction in the number of units within the project to 10, the Planning Commission re-assigned the two excess allotments to another affordable project through Resolution No. 04-35 adopted March 23, 2004

SECTION 5. References are hereby made to certain Agreements on file in the office of the City Clerk of the City of Morgan Hill. These documents to be signed by the City of Morgan Hill and the property owner set forth in detail and development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

SECTION 6. The City Council hereby finds that the development proposal and agreement approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 6. Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

SECTION 7. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 8. Effective Date Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 7th Day of April 2004, and was finally adopted at a regular meeting of said Council on the 21st Day of April 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ **CERTIFICATE OF THE CITY CLERK** ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 21st Day of April 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

SD 03-08: WATSONVILLE-SOUTH COUNTY HOUSING

RECOMMENDED ACTION(S):

Open/close Public Hearing
Adopt Resolution approving the subdivision.

EXECUTIVE SUMMARY:

A request for approval of a subdivision of a 1.00 acre site into 10 lots for a proposed single family attached project to be located on the northwest corner of the intersection of Watsonville Rd. and Calle Sueno.

The project consists of 10 single family modified attached units which will take access off of a private drive aisle which has an entrance located on Calle Sueno. The project is not proposing any vehicular access from Watsonville Rd. All units are accessed through the interior drive aisle. Each of the 10 units will be on individual parcels ranging in size from 2,435 sq. ft. to 4,280 sq. ft. The project is also proposing a common park of 1,942 sq. ft. in size.

The tentative map approval requested at this time consists of 10 single family lots. However the tentative map as proposed, does not number the common area parcel which includes the park and drive aisle area which is recommended to be labeled as lot 11. It is also recommended that all landscape areas visible from Watsonville Rd. and Calle Sueno be recorded as landscape easements with all maintenance to be provided by the HOA. Staff is also recommending that a 10 ft. wide landscape easement be recorded along the east side of lot 5 to preclude the movement of the side yard fence to the back side of the side walk facing Calle Sueno.

Approval of the subdivision is recommended with the conditions of approval contained within the attached resolution.

FISCAL IMPACT: No budget adjustment required

Agenda Item # 23

Prepared By:

Senior Planner

Approved By:

**Director of Community
Development**

Submitted By:

City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A 10-LOT SUBDIVISION ON A ONE ACRE SITE, LOCATED ON THE NORTH WEST CORNER OF THE INTERSECTION OF WATSONVILLE RD AND CALLE SUENO (APN 767-23-17)

WHEREAS, such request was considered by the City Council at their regular meeting of April 7, 2004, at which time the City Council approved application SD 03-08: Watsonville-South County Housing

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

- SECTION 1.** The approved project is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** An environmental initial study was been prepared for this application and has been found complete, correct and in substantial compliance with the requirements of California Environmental Quality Act. A mitigated Negative Declaration was filed with the approval of the General Plan and zoning action.
- SECTION 3.** The proposed subdivision will not result in a violation of the requirements established by the Regional Water Quality Control Board.
- SECTION 4.** The approved project shall be subject to the conditions as identified in the set of standard conditions attached hereto, as exhibit "A", and by this reference incorporated herein.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of April, 2004 by the following vote.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

☞ CERTIFICATION ☞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

A F F I D A V I T

I, Nancy Wright of South County Housing, applicant, hereby agree to accept and abide by the terms and conditions specified in this resolution.

_____, Applicant
Nancy Wright

Date



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

**TITLE: DEVELOPMENT AGREEMENT AMENDMENT
DAA 00-12: E. DUNNE – GREWAL**

RECOMMENDED ACTION(S):

1. Open/close Public Hearing
2. Waive the First and Second reading of Ordinance to approve DAA
3. Introduce Ordinance to approve DAA

EXECUTIVE SUMMARY:

The applicant is requesting approval of a development agreement amendment to allow for a fifteen (15) month extension of time for four building allotments awarded under the Micro Measure “P” Competition for FY 2000-01 and FY 2001-02. The project is located on the northeast corner of E. Dunne Avenue and Hill Road. Since the original approval of Development Agreement DA-00-12 on July 25, 2001, three amendments to the Development Agreement have been granted. In January 2002, Council approved the first development agreement amendment extending the expiration to June 1, 2002. In August 2002, Council granted a second extension of the development agreement to March 30, 2003. The third amendment was approved in March 2003, and extended the development agreement to March 30, 2004. The applicant is requesting a fourth extension due to extended processing of the final map.

There are still several outstanding issues that have yet to be resolved with various other jurisdictional agencies. One of the main delays has been the split jurisdictional authority over Hill Road that will be resolved by a maintenance agreement between the City and County for the portion of Hill Road that is presently in the County along the project frontage. The agreement has been drafted and submitted to the County and is currently in review by County Counsel. Execution of this agreement will place the public improvements within the City’s jurisdiction and the City would, therefore, have the ability to approve plans. A 48-inch storm drain line is required in the proposed cul-de-sac street as part of this project. To install this storm drain line, the applicant will need to obtain permits from the Santa Clara Valley Water District and other agencies. In October 2002, a Right of Way Use application was submitted for review and approval by the Water District, U.S. Bureau of Reclamation, U.S. Army Corps of Engineers, and the State Dept. of Fish and Game. This application is still in process.

The Planning Commission reviewed this DAA request at its meeting of March 23, 2004. Staff had determined that sufficient time and extensions had been granted to this project to reasonably expect commencement of construction and, therefore, had recommended denial of this request to the Commission. The Commission determined that the City required plan revisions and new permit requirements are processing delays not the result of developer inaction, and recommended by a vote of 5-2 to grant the amendment and give the project an additional 15 months to commence construction. A copy of the Commission’s staff report and approved minutes are attached for the Council’s reference. No Letter of Request was submitted with this application. Should Council decide to deny this request, a resolution with supporting findings will be brought back for consideration at a future meeting.

FISCAL IMPACT:

None. Filing fees were paid to the City to cover the cost of processing this application.

Agenda Item #24

Prepared By:

Contract Planner

Approved By:

**Community
Development Director**

Submitted By:

City Manager

ORDINANCE NO. _____, N.S.

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
THE CITY OF MORGAN HILL APPROVING AN AMENDMENT
TO ORDINANCE NO. 1605, NEW SERIES, TO AMEND THE
DEVELOPMENT AGREEMENT FOR APPLICATION MP-00-02:
EAST DUNNE - GREWAL TO ALLOW FOR A FIFTEEN (15)
MONTH EXTENSION OF TIME (APN 728-11-026)**

**THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY
ORDAINS AS FOLLOWS:**

SECTION 1. The City Council has adopted Resolution No. 4028 establishing a procedure for processing Development Agreements for projects receiving allotments through the Residential Development Control System, Title 18, Chapter 18.78 of the Municipal Code.

SECTION 2. The California Government Code Sections 65864 thru 65869.5 authorizes the City of Morgan Hill to enter into binding Development Agreements with persons having legal or equitable interests in real property for the development of such property.

SECTION 3. The Planning Commission pursuant to Title 18 of the Morgan Hill Municipal Code and Resolution No. 00-17, adopted April 25, 2000, awarded four (4) building allotments for application MP-00-02: E. Dunne – Grewal for Fiscal Year 2000-01 and for FY 2001-02, herein after described as follows:

<u>Project</u>	<u>Total Dwelling Units</u>
MP-00-02: E. Dunne - Grewal	4

SECTION 4. References are hereby made to certain Agreements on file in the office of the City Clerk of the City of Morgan Hill.

These documents, which were signed by the City of Morgan Hill and the property owner, set forth in detail and development schedule, the types of homes, and the specific restrictions on the development of the subject property. Said Agreement herein above referred to shall be amended by this ordinance and shall be binding on all future owners and developers as well as the present owners of the lands, and any substantial change can be made only after further public hearings before the Planning Commission and the City Council of this City.

SECTION 5. The City Council hereby finds that the amended development proposal and agreement approved by this ordinance is compatible with the goals, objectives, policies, and land uses designated by the General Plan of the City of Morgan Hill.

SECTION 6. The City Council hereby finds that the project delays are due to extended City processing of the final map which required changes to the subdivision improvement plans to include

a 48” storm drain in the proposed cul-de-sac street. To install the storm drain line, the applicant is required to obtain permits from the Water District and other agencies that will further delay the project. The City Council hereby approves a fifteen (15) month extension of time for the project’s residential building allotment as set forth in Section 10, Exhibit B of this ordinance.

SECTION 7. The Development Agreement Amendment approved by this ordinance will be the fourth extension of time approved for this project. Given the unprecedented number of time extensions, the applicant is strongly encouraged to proceed with development in a timely manner and to request no further exceptions to the time limits imposed by the project Development Agreement as amended. The City Council strongly encourages that this be the last extension request to the project.

SECTION 8. Authority is hereby granted for the City Manager to execute all development agreements approved by the City Council during the Public Hearing Process.

SECTION 9. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 10. Effective Date Publication. This ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

SECTION 11. Exhibit “B” of the Development Agreement is amended to read as follows:

EXHIBIT "B"

**DEVELOPMENT SCHEDULE MP- 00 - 02: E. Dunne - Grewal
FY 2000-01 (1 allotment), FY 2001-02 (3 allotments)**

- | | | |
|-------------|---|--|
| I. | SUBDIVISION AND ZONING APPLICATIONS | |
| | Applications Filed: | (12-11-00) |
| II. | SITE REVIEW APPLICATION | |
| | Application Filed: | (7-01-01) (02-01-02) |
| III. | FINAL MAP SUBMITTAL | |
| | Map, Improvements Agreement and Bonds: | (7-01-01) (07-12-02) |

IV. BUILDING PERMIT SUBMITTAL

Submit plans to Building Division for plan check:

FY 2000-01 (1 allotment): ~~(10-01-01)~~ ~~(06-01-02)~~ ~~(11-30-02)~~ ~~(11-30-03)~~ *(12-15-04)*

FY 2001-02 (3 allotments): ~~(06-01-02)~~ ~~(11-30-02)~~ ~~(11-30-03)~~ *(12-15-04)*

V. BUILDING PERMITS

Obtain Building Permits:

FY 2000-01 (1 allotment): ~~(12-31-01)~~ ~~(06-01-02)~~ ~~(2-15-03)~~ ~~(2-15-04)~~ *(3-30-05)*

FY 2001-02 (3 allotments): ~~(06-30-02)~~ ~~(2-15-03)~~ ~~(2-15-04)~~ *(3-30-05)*

Commence Construction:

FY 2000-01 (1 allotment): ~~(12-31-01)~~ ~~(06-01-02)~~ ~~(2-15-03)~~ ~~(2-15-04)~~ *(6-30-05)*

FY 2001-02 (3 allotments): ~~(06-30-02)~~ ~~(3-30-03)~~ ~~(3-30-04)~~ *(6-30-05)*

Failure to obtain building permits and commence construction by the date listed in Section V. above, shall result in the loss of building allocations. Failure to submit a Final Map Application or a Building Permit Submittal, Sections III. and IV. respective, two (2) or more months beyond the filing dates listed above shall result in applicant being charged a processing fee equal to double the building permit plan check fee and/or double the map checking fee to recoup the additional costs incurred in processing the applications within the required time limits. Additional, failure to meet the Final Map Submittal and Building Permit Submittal deadlines listed above, Sections III. and IV. respectively, may result in loss of building allocations. In such event, the property owner must re-apply under the development allotment process outlined in Section 18.78.090 of the Municipal Code if development is still desired.

An exception to the loss of allocation may be granted by the City Council if the cause for the lack of commencement was the City's failure to grant a building permit for the project due to an emergency situation as defined in Section 18.78.140 or extended delays in environmental reviews, permit delays not the result of developer inactions, or allocation appeals processing.

If a portion of the project has been completed (physical commencement on at least 2 dwelling units and lot improvements have been installed according to the plans and specifications), the property owner may submit an application for reallocation of allotments. Distribution of new building allocations for partially completed project shall be subject to the policies and procedures in place at the time the reallocation is requested.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 7th Day of April 2004, and was finally adopted at a regular meeting of said Council on the 21st Day of April 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 21st Day of April 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: (April 7, 2004)

GPA-04-01: Wright-City of Morgan Hill/General Plan Map Corrections/ ZA-04-03: City of Morgan Hill-Zoning Map Corrections

RECOMMENDED ACTION(S):

1. Open/close Public Hearing
2. Adopt Resolution approving General Plan amendment
3. Waive the reading in full of the Zoning Amendment Ordinance
4. Introduce on first reading the Zoning Amendment Ordinance (roll call vote)

EXECUTIVE SUMMARY: Staff has identified two graphic errors to the zoning map and one graphic error to the General Plan map.

Staff discovered an error to the General Plan land use designation and zoning designation for 120 Wright Avenue (APN 764-14-003). The lot is 8240 sq. ft. and contains an existing single-family structure. Staff reviewed the history of the General Plan land use designation for the property and found the lot had a General Plan designation of Multi-Family Medium, but due to a graphic error, the General Plan map now shows the land use designation as Single-Family Medium. Staff recommends amending the General Plan designation from Single-Family Medium to Multi-Family Low, in order to correct the graphic error.

In addition, staff reviewed the history of the zoning for the property. Staff found that the zoning for the site was R3, but due to a graphic error, the zoning map shows the property as R1-7,000. Staff recommends amending the zoning from R1-7,000 to R3, in order to correct the graphic error.

Staff identified a zoning map error on parcel 767-23-016, a vacant 8.36-acre lot located on Monterey Road north of Watsonville Road. The General Plan land use designation for the parcel is Multi-Family Low. However, the parcel has two zoning districts, R2-3,500 on about 4 acres of the site and R3 for about 4.3 acres of the site. In order to bring the zoning into conformance with the Multi-Family Low land use designation, the R3 portion of the parcel needs to be amended to R2-3,500. Staff recommends amending the zoning on 4.3 acres of the parcel from R3 to R2-3,500.

The Planning Commission considered the applications at their March 9, 2004 meeting. The Commission voted (7-0) to recommend approval of the amendments. A copy of the Commission staff report and minutes are attached for the Council's reference.

FISCAL IMPACT: The cost of researching and compiling this documentation was approximately \$1000. This amount is charged to the General Plan fund.

Agenda Item # 25

Prepared By:

Associate Planner

Approved By:

**Community
Development Director**

Submitted By:

City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE GENERAL PLAN ON AN 8240 SQUARE FOOT LOT LOCATED AT 120 WRIGHT AVENUE FROM SINGLE-FAMILY MEDIUM TO MULTI-FAMILY MEDIUM IN ORDER TO CORRECT A GRAPHIC ERROR. (APN 764-14-003)

WHEREAS, such request was considered by the City Council at their regular meeting of April 7, 2004, at which time the City Council approved GPA-04-01: Wright-City of MH/General Plan Map Correction; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The General Plan amendment is consistent with the provisions of the General Plan.

SECTION 2. The project is categorically exempt from CEQA under Section 15301L(1), existing facilities.

SECTION 3. The General Plan shall be amended as shown in the attached Exhibit A.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of April, 2004 by the following vote.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING FOR 120 WRIGHT AVENUE, A 8240 SQUARE FOOT LOT FROM R1-7,000 TO R3 AND AMENDING THE ZONING FOR 4.3 ACRES OF AN 8.3 ACRE LOT LOCATED ON MONTEREY ROAD APPROXIMATELY 700 FEET NORTH OF WATSONVILLE ROAD FROM R3 TO R2-3,500. (APN 764-14-003 & APN 767-23-016, ZA-04-03: CITY MORGAN HILL-ZONING MAP CORRECTIONS)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAINS AS FOLLOWS:

- SECTION 1.** The proposed zoning amendment is consistent with the Zoning Ordinance and the General Plan.
- SECTION 2.** The zone change is required to serve the public convenience, necessity, and general welfare as provided in Section 18.62.050 of the Municipal Code.
- SECTION 3.** The project for parcel number 764-14-003 is categorically exempt from CEQA under Section 15301L(1), existing facilities. The project for parcel 767-23-016 was reviewed as part of Master Environmental Impact Report for the 2001 General Plan update and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. The Zoning Amendment complies with the General Plan as required by §65860 of the Government Code.
- SECTION 4.** The Zoning Map of the City of Morgan Hill, which is referenced under Title 18, Chapter 18.06 of the Morgan Hill Municipal Code, is hereby amended as shown in the attached Exhibit A.
- SECTION 5.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- SECTION 6.** Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 7th Day of April 2004, and was finally adopted at a regular

meeting of said Council on the 21st Day of April 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 21st Day of April 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: *April 7, 2004*

GENERAL PLAN AMENDMENT, GPA-03-02: LAND USE POLICY REQUIREMENT FOR SINGLE FAMILY HOUSING

RECOMMENDED ACTION(S):

1. Open/close the Public Hearing
2. Adopt Resolution

EXECUTIVE SUMMARY: Policy 7b of the Community Development Element of the General Plan states that the City should “plan for an approximate 70/30 ratio of single family detached to single family attached and multi-family housing for all future development.” Another way of stating this is that approximately 70 percent of all new housing in future development should consist of single family detached homes. Staff believes that this figure is not realistic given the City’s affordable housing objectives as stated elsewhere in the General Plan. For example, Action Statement 1d-1 of the Housing Element states that the City “should continue to ensure that an average of 20 percent of all new housing units is designated for multi-family units.” Policy 1g of the Housing Element encourages the inclusion of affordable/below market rate (BMR) units in market rate housing developments. These Housing policies are implemented through the 20 percent affordable housing set-aside and the 10 percent BMR requirement under the City’s Residential Development Control System. The 20% of the total housing reserved for the affordable competition has almost always been multi-family. The 10% BMR's in market rate housing developments is almost always single family attached. When staff completed an inventory of the number and type of housing units approved in recent developments in accordance with the above policies, it was determined that 64 percent of the new dwellings consisted of single family detached homes and 36 percent were single family attached and multi-family units. In order to achieve the 70 percent single family detached requirement, the City would need to amend its housing policies to allow less than 20 percent of the total housing as multi-family units, or allow a greater percentage of single family detached units in Multi-Family Low (R-2) residential districts. The General Plan currently limits the number of single family detached units to less than 25 percent of the overall units in an R-2 development.

Staff does not believe that either of the above actions were intended when Policy 7b was formulated. We believe the General Plan Task Force's intent would be better met if the policy required that 70% of all units be single family. When expressed in this manner, we determined from our survey of recent approved development that 71 percent of the total units are single family and 29 percent are multi-family. It is recommended that Policy 7b and Action Item 7.2 be amended to require a minimum of 70% of all units be single family. The Planning Commission voted 7-0 to recommend approval of this General Plan Amendment. Minutes of the March 9, 2004 Planning Commission meeting are attached for the Council’s reference.

FISCAL IMPACT: No budget adjustment required.

Agenda Item # 26

Prepared By:

Planning Manager

Approved By:

Community
Development Director

Submitted By:

City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING GENERAL PLAN AMENDMENT GPA-03-02: AMENDING POLICY 7b and ACTION 7.2 OF THE COMMUNITY DEVELOPMENT ELEMENT OF THE GENERAL PLAN

WHEREAS, such request was considered by the City Council at their regular meeting of April 7, 2004, at which time the City Council approved General Plan Amendment application, GPA-03-02; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

**NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL HEREBY
RESOLVES AS FOLLOWS:**

SECTION 1. To achieve the City's affordable housing objectives stated in Action Statement 1d-1 of the Housing Element for the provision of multi-family housing and in Housing Element Policy 1g for the provision of below market rate housing in market rate development, the City Council finds that Community Development Policy 7b needs to be amended to stipulate that 70 percent of all housing in future development must be single family. Current policy would require that 70 percent of all new units must be single family detached units. This threshold would not allow the required number of multi-family and affordable housing units to be provided in all future residential development.

SECTION 2. The General Plan Amendment is consistent with the provisions of the General Plan.

SECTION 3. Policy 7b of the Circulation Element of the General Plan is hereby amended as follows:

Policies

7b. Plan for an approximate 70/30 ratio of single family ~~detached to single family attached and~~ **to** multi-family housing in all future residential development.

SECTION 4. Action 7.2 of the Circulation Element of the General Plan is amended as follows:

Action

7.2 Limit the number of ~~multi-family~~ ***single family attached*** units in a given project in Single Family designations to a small proportion (less than 25 percent) of the overall units.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of April, 2004 by the following vote.

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

GENERAL PLAN AMENDMENT, GPA-03-10: MONTEREY – SOUTH COUNTY HOUSING

RECOMMENDED ACTION(S):

1. Open/close Public Hearing
2. Approve Mitigated Negative Declaration
3. Adopt Resolution

EXECUTIVE SUMMARY: This application is a request to amend the General Plan land use designation for 13 parcels totaling 6.8 acres in size to Multi-family Medium. Currently, two of the 13 parcels are designated Commercial, while the remaining 11 parcels are designated Multi-family Low. The subject properties are generally bounded by Monterey Rd to the east, Del Monte Ave to the west, and Wright Ave to the south. The overall 6.8-acre site can be divided into two general areas: 1) a 4.8-acre area proposed to be developed with affordable housing (16 townhomes and 46 apartment units), and 2) a developed, 2-acre residential area; no further development of this area is proposed at this time.

The 4.8-acre area is partially developed with three single-family dwellings and a 10-unit motor court. A mixed use project including a commercial component and six additional apartment units above was originally proposed for the site, requiring demolition of all four existing structures. During the environmental review process for the project, it was identified that the motor court is historically significant. In order to minimize impacts to the motor court, the commercial building and six apartments were scaled back from the project. The 2-acre area consists of nine parcels designated Multi-family Low. The purpose for including the nine parcels in the General Plan Amendment application is to create a logical grouping/pattern of the land use designation and to prevent 'spot' zoning. Also, amending the land use from Multi-family Low to Multi-family Medium would legalize some existing non-conforming developments. The nine parcels are currently developed with residential uses, some of which are developed at a density consistent with the Multi-family Medium designation. It should be noted that the applicant's original application included only the 4.8-acre area. The General Plan Amendment area was later expanded to include the additional two acres at Staff's recommendation for the reasons discussed above.

There are a number of General Plan policies and action statements which are relevant to the proposed amendment. The proposed General Plan Amendment would allow for higher density multi-family housing consistent with the R-3 zoning (*Housing Element, Action 1b-1*), encourage higher densities at locations where adequate infrastructure and convenient access to shopping, services and transportation routes is readily available (*Community Development Element, Policies 7d and 7e*), provide housing at a range that meets the needs of all sectors of the workforce (*Community Development Element, Policy 7p*), and rehabilitate blighted buildings and developments (*Community Development Element, Policy 12d*).

An environmental assessment was prepared for the proposed General Plan Amendment. The assessment identified water, air quality, biological resources, noise, and cultural resources as potential impacts associated with the project. With implementation of the mitigation measures identified in the Mitigated Negative Declaration, less than significant impacts are anticipated.

The Planning Commission reviewed the General Plan Amendment request at their March 9 meeting, and voted 6-1 to recommend approval of the request. A copy of the March 9 Commission staff report and minutes are attached for the Council's reference. Staff recommends approval of the General Plan Amendment and mitigated Negative Declaration as attached.

FISCAL IMPACT: None. Filing fees were paid to the City to cover the cost of processing this application.

Agenda Item # 27

Prepared By:

Associate Planner

Approved By:

CDD Director

Submitted By:

City Manager

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING GENERAL PLAN AMENDMENT GPA-03-10: MONTEREY – SOUTH COUNTY HOUSING, CHANGING THE GENERAL PLAN LAND USE DESIGNATION FROM COMMERCIAL AND MULTI-FAMILY LOW TO MULTI-FAMILY MEDIUM ON 13 PARCELS TOTALING 6.8 ACRES IN SIZE LOCATED WEST OF MONTEREY ROAD, EAST OF DEL MONTE AVENUE, AND NORTH OF WRIGHT AVENUE (APNs 764-12-008, -009, 011, -013 thru -019, & -021 thru -023

WHEREAS, such request was considered by the City Council at their regular meeting of April 7, 2004, at which time the City Council approved general plan amendment application, GPA-03-10: Monterey – South County Housing; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The General Plan Amendment is consistent with the provisions of the General Plan.

SECTION 2. An environmental initial study has been prepared for this application, and has been found complete, correct and in substantial compliance with the requirements of the California Environmental Quality Act. A mitigated Negative Declaration will be filed.

SECTION 3. The City Council hereby approves a General Plan Amendment to change the land use designation from Commercial and Multi-family Low to Multi-family Medium on 13 parcels totaling 6.8 acres in size, as shown in attached Exhibit “A”.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of April, 2004 by the following vote.

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

🦉 CERTIFICATION 🦉

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

GENERAL PLAN AMENDMENT/ZONING AMENDMENT: GPA-02-03/ZA 02-08: Butterfield-M.H. RDA/Court House

RECOMMENDED ACTION(S):

- Open/close Public Hearing
- Waive the First and Second Reading of Ordinance
- Introduce Ordinance
- Adopt Resolution

EXECUTIVE SUMMARY: A request to amend the General Plan land use designation and zoning designation on a 8.14 acre parcel located on the west side of the intersection of Butterfield Blvd. and Diana Ave. The change in land use designation and zoning is to allow for the construction of an 86,292 sq. ft. court house facility.

General Plan: The project site currently has a General Plan land use designation of Multi-Family Medium Density (14-21 du/ac) and is zoned R-3, Multi-Family Medium. The Public Facilities land use designation best fits the type of use proposed on the site. The Public Facilities zoning designation corresponds to the Public Facilities land use designation and would allow the court house project as a permitted use within the PF zoning district.

Housing Element Policy 1b requires that the City provide an adequate supply of land for multi-family housing located convenient to shopping, services and transportation routes. It also states that the City shall "identify 25-80 acres of land appropriate for higher density multi-family housing and amend the General Plan to accommodate additional R-3 zoning."

In June 2003, an audit of available lands indicated that there are currently approximately 40 acres of vacant R-3 zoned lands in the City. The June 2003 inventory analysis did not include the court house site, so the amount of vacant R-3 land remains at 40 acres. The proposed General Plan amendment therefore, would not violate Housing Element Policy.

Zoning Amendment: The Public Facility General Plan land use designation corresponds with the Public Facilities zoning district as defined in Chapter 18.19 of the Municipal Code. The purpose of the PF district is to accommodate governmental, public utility, educational and community service or recreational facilities. All facilities owned or leased and operated or used by the City of Morgan Hill or the County of Santa Clara are permitted uses in the PF zoning district. It is therefore recommended the parcel be rezoned PF, Public Facilities.

On March 9, the Planning Commission unanimously recommended approval (7-0 vote) of the proposed General Plan and zoning amendment request. A copy of the Planning Commission's staff report and minutes are attached for the Council's reference.

FISCAL IMPACT: *No budget adjustment required.*

Agenda Item # 28

Prepared By:

Senior Planner

Approved By:

Director of Community
Development

Submitted By:

City Manager

The General Plan land use designations surrounding the site includes; Public Facilities to the north, Commercial to the south, Mixed Use to the west and Single Family Medium to the east. The Commercial and Mixed Use designations allow for development which would be compatible with and supportive of the court house development. The residential district to the east of the site is generally not a compatible adjacent land use designation however; the Single Family Medium area to the east is separated from the proposed Public Facilities district by Butterfield Blvd. and Butterfield channel which provides 155 ft. of separation.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING GENERAL PLAN AMENDMENT GPA 02-03: BUTTERFIELD BOULEVARD-CITY OF MORGAN HILL REDEVELOPMENT AGENCY - COURT HOUSE, CHANGING THE LANDUSE DESIGNATION FROM MULTI-FAMILY MEDIUM TO PUBLIC FACILITIES ON AN 8.14 ACRE PARCEL LOCATED ON THE NORTH WEST CORNER OF THE INTERSECTION OF DIANA AVENUE AND BUTTERFIELD BOULEVARD (APN 726-12-006)

WHEREAS, the City Council of the City of Morgan Hill at their regular meeting of April 7, 2004 considered General Plan Amendment GPA 02-03, a request to re-designate 8.14 acres from Multi-Family Medium to Public Facilities; and

WHEREAS, the City Council received and considered testimony at a duly noticed public hearing;

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The General Plan amendment is consistent with the provisions of the General Plan requiring a minimum of 25 acres of property be; 1) Designated as Multi-Family Medium; and 2) shall be maintained to provide for adequate opportunity for the development of multi-family housing.

SECTION 2. The City has approximately 40 total acres of property designated as Multi-Family Medium excluding the subject parcel.

SECTION 3. An Environmental Impact Report has been prepared and adopted for the court house project.

SECTION 4. The City Council hereby approves of the General Plan Land Use Map amendment as shown in attached Exhibit "A".

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of April, 2004 by the following vote.

AYES:

NOES:

ABSTAIN:

ABSENT:

COUNCIL MEMBERS:

COUNCIL MEMBERS:

COUNCIL MEMBERS:

COUNCIL MEMBERS:

🏛️ CERTIFICATION 🏛️

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

ORDINANCE NO. , NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A ZONING AMENDMENT FROM MULTI FAMILY MEDIUM R-3 TO PUBLIC FACILITIES, PF FOR APPLICATION ZA-02-08: BUTTERFIELD-CITY OF MORGAN HILL REDEVELOPMENT AGENCY - COURT HOUSE (APN 726-12-006)

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- SECTION 1.** Such request was considered by the City Council at their regular meeting of April 7, 2004. Testimony was received and considered at a duly-noticed public hearing at the meeting, along with exhibits and drawings and other materials have been considered in the review process.
- SECTION 2.** The Council hereby re-designates 8.14 acres from Multi-Family Medium R-3 to Public Facilities, PF.
- SECTION 3. INCORPORATING THE MAP BY REFERENCE.** There hereby is attached hereto and made a part of this ordinance, a zoning map entitled "Exhibit A" Map Showing rezoning Lands of City of Morgan Hill Being a Part of Ordinance No. , New Series, which gives the boundaries of the described parcel of land.
- SECTION 4. FINDING OF CONSISTENCY WITH THE GENERAL PLAN.** The City Council hereby finds that the amendment established by this ordinance as herein described is compatible with the goals, objectives, policies and land use designation of the General Plan of the City of Morgan Hill. The Council further finds that the proposed amendment is required in order to serve the public health, convenience and general welfare as provided by Section 18.62.010 of the Morgan Hill Municipal Code.
- SECTION 5.** An Environmental Impact Report has been certified by the Santa Clara Board of Supervisors for this project.
- SECTION 6.** Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.
- SECTION 7.** Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 7th Day of April 2004, and was finally adopted at a regular meeting of said Council on the 21st Day of April 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 21st Day of April 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: APRIL 7, 2004

**General Plan Amendment: GPA 02-04/Zoning Amendment ZA 02-10:
Edmundson – Morgan Hill RDA (IRC)**

RECOMMENDED ACTION(S):

1. Open/close Public Hearing.
2. Adopt Mitigated Negative Declaration/Mitigation Monitoring Program
3. Adopt resolution approving General Plan Amendment.
4. Waive the reading in full of the Zoning Amendment Ordinance
5. Introduce on first reading the Zoning Amendment Ordinance (roll call vote)

EXECUTIVE SUMMARY: A request to amend the General Plan designation of an 8.49-acre site from Single Family Medium to Public Facilities to allow construction of the Community Indoor Recreation Center (IRC). The project site is located on the north side of Edmundson Avenue at the southeast side of the Community Park, west of Little Llagas Creek and south of the Public Works offices and corporation yard. Also requested is a zoning amendment from R2-3500 to Public Facilities. The IRC will contain 52,230 square feet and provide a range of recreational programs. Project facilities will include a full gymnasium, aerobics/fitness room, a natatorium with a warm water recreation pool, a climbing wall, as well as Senior and Youth Centers with associated multi-use rooms, lounges, and game rooms. Several outdoor patio areas are planned. A future site for a skate park has been designated along the northeast property boundary. A 0.25-acre stormwater detention basin will be installed on the east side of the site between the building and eastern access driveway. A total of 208 parking spaces will be provided on-site.

General Plan Amendment and Re-zoning: The proposed Public Facility land use designation and the corresponding PF, zoning designation would allow for the Indoor Recreation Center as a permitted use. The proposed Public Facility land use designation is a logical extension of the existing Public Facility land use designation to the north. The completion of the project is consistent with General Plan Policy 18j: To continue to support the development of the recreational facilities identified in the Morgan Hill Vision Process. The project is also consistent with General Plan Policies 1a, 6c, 18a, 18c, and 18n.

Mitigated Negative Declaration: An Expanded Initial Study was prepared for this project. The required 30-day public review period ended on March 9th with the Planning Commission hearing. Mitigation measures are identified in the Mitigated Negative Declaration that reduce potential impacts to less-than-significant levels. The Commission recommended the inclusion of a Parking Management Plan to ensure that a parking shortage is not created, monitoring of project traffic six months after the occupation of the IRC, installation of sidewalks on driveways, paving of existing sidewalks on West Edmundson, wheelchair ramps at the West Edmundson driveway, bicycle racks and widening of the west driveway.

On March 9, 2004, the Planning Commission considered the above applications and voted unanimously (7-0) to recommend Council approval of the Mitigated Negative Declaration (as amended), General Plan Amendment and Zoning Amendment. A copy of the Commission's staff report is attached for the Council's reference. A copy of the project's Expanded Initial Study, Mitigated Negative Declaration and Mitigation Monitoring Program are included with the Council agenda packet.

FISCAL IMPACT: The costs associated with the processing of the applications and the environmental review has been charged to the Capital Improvement Program.

Agenda Item # 29

Prepared By:

Contract Planner

Approved By:

Community
Development Director

Submitted By:

City Manager

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING GENERAL PLAN AMENDMENT GPA 02-04: EDMUNDSON – MORGAN HILL REDEVELOPMENT AGENCY-INDOOR RECREATION CENTER, CHANGING THE GENERAL PLAN LAND USE DESIGNATION FROM SINGLE FAMILY MEDIUM TO PUBLIC FACILITY ON AN 8.49-ACRE SITE LOCATED ON THE NORTH SIDE OF EDMUNDSON AVENUE AT THE SOUTHEAST SIDE OF COMMUNITY PARK. (APNs 767-18-025 & -037)

WHEREAS, the City Council of the City of Morgan Hill at their regular meeting of April 7, 2004, considered General Plan Amendment GPA 02-04, a request to amend the designation on an 8.49-acre area, from Single Family Medium to Public Facility; and

WHEREAS, the City Council received and considered testimony at a duly noticed public hearing; and

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The General Plan amendment is consistent with the provisions of the General Plan.

SECTION 2. An Expanded Initial Study has been prepared for this project. A Mitigated Negative Declaration will be filed.

SECTION 3. The City Council hereby approves the General Plan Amendment as shown in attached Exhibit "B", subject to the Conditions of Approval and Mitigation Measures identified in the project Mitigated Negative Declaration, attached.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of April, 2004 by the following vote.

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

🔒 CERTIFICATION 🔒

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on April 7, 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

ORDINANCE NO. , NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A ZONING AMENDMENT FROM R2-3,500 TO PUBLIC FACILITIES ON AN 8.49-ACRE SITE LOCATED ON THE NORTH SIDE OF EDMUNDSON AVENUE AT THE SOUTHEAST SIDE OF COMMUNITY PARK FOR APPLICATION ZA-02-10: EDMUNDSON – MORGAN HILL REDEVELOPMENT AGENCY-INDOOR RECREATION CENTER (IRC) (APNS 767-18-025 & -037).

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

- SECTION 1.** The City Council hereby re-designates 8.49 acres located on the north side of Edmundson Avenue on the southeast side of Community Park and consisting of parcels 767-18-025 & -037 from R2-3,500 Single Family Medium Density to PF Public Facilities zoning designation.
- SECTION 2.** Testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.
- SECTION 3.** Such request was considered by the City Council at their regular meeting of April 7, 2004, at which time the City Council approved of zoning amendment application ZA-02-10: Edmundson - Morgan Hill RDA (IRC).
- SECTION 4. INCORPORATING THE MAP BY REFERENCE.** There hereby is attached hereto and made a part of this ordinance, a zoning map entitled “Exhibit A”, “Map Showing Rezoning Lands of “Morgan Hill Redevelopment Agency Being Part of Ordinance No. ____, New Series”, which gives the boundaries of the described parcels of Land.
- SECTION 5. DESCRIPTION OF LAND IN ZONING AMENDMENT.** There hereby is attached hereto and made a part of this Ordinance, a legal description entitled “Exhibit C” which gives the boundaries of the described parcels of Land.
- SECTION 6. FINDING OF CONSISTENCY WITH THE GENERAL PLAN.** The City Council hereby finds that the amendment established by this ordinance as herein described is compatible with the goals, objectives, policies and land use designation of the General Plan of the City of Morgan Hill. The Council further finds that the proposed amendment is required in order to serve the public health, convenience and general welfare as provided by Section 18.62.010 of the Morgan Hill Municipal Code.
- SECTION 7.** An Expanded Initial Study has been prepared for this project. A Mitigated Negative Declaration will be filed.

SECTION 8. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 9. Effective Date; Publication. This Ordinance shall take effect from and after thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 7th Day of April 2004, and was finally adopted at a regular meeting of said Council on the 21st Day of April 2004, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 21st Day of April 2004.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: *April 7, 2004*

COMMUNITY INDOOR RECREATION CENTER APPROVAL OF DESIGN DEVELOPMENT

RECOMMENDED ACTION(S):

1) Approve Subcommittee Recommendations for final Design Development documents. 2) Direct Staff and Architect to begin Construction Documents.

EXECUTIVE SUMMARY: As reviewed and approved by the project Design Review Subcommittee Exhibits A, B, and C are drawings of the site plans, floor plans and building elevations. These represent the design status of the project at the conclusion of the Design Development phase.

The building floor plan represents a consensus achieved among the Parks and Recreation Commission, Senior and Youth Advisory Committee's, and the IRC Design Review Subcommittee balancing building space needs with the project budget.

The building elevation drawing illustrates the current design of the building architecture and models the chosen "summer" color theme. Further development of exterior and interior color and architectural detail will continue in the Construction Document phase of project development.

The Subcommittee has worked diligently being guided by design architects Noll & Tam to make needed reductions in some building features to contain the project costs. A Design Development Cost Estimate Summary dated March 9, 2004, and a correlating list of "value engineering" items is attached as Exhibit D. In order to stay within budget, the items listed were once considered as potential cost saving options. The items are now listed as either "VE" (value engineering) meaning they have been deleted from the final Design Development Drawings, or as "ALT" meaning that for now they will be included as alternate bid items only. If the construction bid is favorable, as many as possible of these alternate items will be added. Items on the list not labeled "VE" or "ALT" are still a part of the Design Development Drawings.

Exhibit E is a Probable Operating Costs and Revenue Potential analysis completed on March 23, 2004 by The Sports Management Group. Page 40 of the report provides a 5 year projection of Operating Costs vs. Revenues. The projection shows that revenues must be subsidized by \$92,519 in the first year of operation. In year 2 revenues are projected at 100.5% of operating costs. In years 4 and 5 the Economic Analysis projects a surplus of approximately \$110,000.

Exhibit F is the project schedule. It calls for the final approval of Design Development to occur in March '04 and the 8 month Construction Document Phase to begin in April '04.

Tonight staff is seeking Council's approval of the Design Development phase of this project and approval to proceed with the development of Construction Documents consistent with the approved project schedule.

FISCAL IMPACT: This project is funded as a part of the CIP Project #229001.

Agenda Item # 30

Prepared By:

**Dep Dir
PW/Operations**

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

Agenda Item # 31

Prepared By:

(Department Director)

Submitted By:

City Manager

TITLE: URBAN LIMIT LINE STUDY---AMENDMENT OF SCOPE OF WORK TO ADD AN IMPLEMENTATION PROGRAM AND AMEND THE CONSULTANTING CONTRACT WITH MOORE IACOFANO GOLTSMAN

RECOMMENDED ACTION(S): It is recommended that the City Council:

1. Approve modification of the Scope of Work for the Urban Limit Line (Greenbelt) Study including a level of City Council participation in the Implementation Program,
2. Approve an amendment to the contract with Moore Iacofano Goltsman (MIG) and
3. Authorize use of the Contract's \$20,000 contingency.

EXECUTIVE SUMMARY:

On March 3, 2004 the City Council reviewed a recommendation from the Urban Limit Line (Greenbelt) Study Advisory Committee to modify the Scope of Work for the Urban Limit Line (ULL) Study to incorporate an Implementation Program and a related amendment to the contract with MIG. The Council, after discussion, continued the item to March 24th with a request for information on the work that the Advisory Committee has accomplished and alternatives for increased City Council involvement in the Study. After discussion on March 24th, the Council continued the item to April 7, 2004 to allow additional time for consideration of the request.

Attachment A, which is reprinted from the March 24, 2004 staff report, identifies three options for increased City Council involvement in the Study process including periodic status reports, holding one workshop or having two study sessions. A combination of one or more status reports with a workshop is possible. A schedule of Advisory Committee and Sub-committee meetings to bring the Project to the point where an environmental review can be authorized is part of Attachment A. The schedule will have to be modified both to reflect the later start of work and the form and timing of City Council participation. If the City Council decides to participate via a workshop or study session(s), the specific costs of the MIG contract will increase by \$1,600 to reflect increased costs resulting from participation of the economic consultant at one City Council meeting.

Attachment B, Implementation Program Summary, is a summary of the key assumptions, key objectives and work tasks in the Implementation Program Scope of Work. The complete Scope of Work is attached to the Amendment to the Consultant Agreement with Moore Iacofano Goltsman (MIG) and labeled Exhibit C.

It is recommended that the Council review and approve the recommended Implementation Program, provide direction to staff regarding Council participation in the next phases of the Study, approve use of the project contingency, and approve amendment of the contract with MIG.

FISCAL IMPACT:

Funding for the Study is from a variety of accounts. No new funds are being appropriated for the Urban Limit Line Study.



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

Agenda Item # 32

Prepared By:

Asst. to the City Mgr.

Submitted By:

City Manager

PURCHASING STUDY REPORT

RECOMMENDED ACTION:

- 1. Accept Report** on City of Morgan Hill Purchasing Function
- 2. Consider Staff Recommendation and Finance and Audit Subcommittee Feedback**
- 3. Direct Staff** to Propose Changes to the Municipal Code

EXECUTIVE SUMMARY:

Over the last several months an interdepartmental study team has analyzed the City's purchasing activities and opportunities for improvement. Our charge from the City Manager was to find ways to reduce the costs associated with purchasing and increase the efficiency of the purchasing function, while ensuring that departmental purchasing needs are met and appropriate fiscal controls are maintained. The Study Team made 21 recommendations for improvements. Of those, 18 will be implemented by the City Manager and three require Council approval. These recommendations are:

2.A Amend the purchasing ordinance to increase approval limits.

This change is estimated to save 1,035 hours in staff time valued at \$31,050 while retaining appropriate fiscal controls. This is particularly important given the City's fiscal constraints.

2.G Develop a method to address urgent maintenance-related expenditures.

Staff have had great difficulty in obtaining quotes for maintenance services, which makes it difficult to respond to urgent maintenance needs. We recommend modifying the Municipal Code to allow urgent maintenance-related expenditures to be made at the City Manager's discretion, within specific guidelines.

3.A Adopt the proposed Eco-Procurement Administrative Policy, which includes purchasing preferences for recycled paper, and modify the Municipal Code to eliminate provisions for recycled paper purchasing preferences.

The proposed Eco-Procurement Policy includes the provisions in the Municipal Code but covers a much greater proportion of the City's purchases.

To implement the recommendations above, staff would need to draft amendments to the Municipal Code and bring them to the Council later this spring. The full purchasing study report is attached as Exhibit A. A summary of the recommendations is attached as Exhibit B. Though the fiscal impact of each recommendation could not be assessed, the Study Team believes that adoption of all of the recommendations would save approximately \$66,000 annually. The Executive Team concurs with the report recommendations. The Finance and Audit Subcommittee reviewed the report and supported the recommendations requiring Council approval with the following changes:

- Recommend that staff obtain three quotes for services the first time that a vendor is used, and every four months thereafter
- Recommend that department directors sign off on all purchases between \$1,000 and \$2,500

FISCAL IMPACT:

If the recommended changes are adopted, staff estimates a total savings of \$66,000 annually. These savings include reduced staff time required to prepare and process payments, and reduced costs for supplies associated with payments.



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

POLICY FOR NAMING FACILITIES

RECOMMENDED ACTION(S): Approve the Policy for Naming Facilities recommended by the Legislative Subcommittee

EXECUTIVE SUMMARY: With the number of new facilities currently either planned or under construction, questions have arose over the City's policy for naming facilities. Staff has researched the policies of other jurisdictions and presented options to the Council's Legislative Subcommittee. The Subcommittee has recommended that the Council adopt the attached policy as an addition to the City Council's Policies and Procedures.

FISCAL IMPACT: No budget adjustment is requested at this time.

Agenda Item # 33

Prepared By:

**Assistant to the City
Manager**

Submitted By:

City Manager

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

SUBJECT: Naming of City Facilities

DATE: April 7, 2004

#04-02

BACKGROUND

The City of Morgan Hill has a number of planned new facilities and the City does not currently have a system in place to guide the naming of facilities.

PURPOSE

The primary purpose of this policy is to provide guidance on the naming of facilities.

POLICY

I. Process

The City Council shall be the decision-making body for the naming of parks, buildings, and public facilities.

II. Procedures for Naming New Facilities

In the naming of new parks, buildings, and other facilities, consideration shall primarily be given to:

1. Neighborhood, geographic, or common usage identification;
2. A natural or geological feature;
3. Significant historical events or cultural attributes;
4. A historical figure;
5. An individual (living or deceased) who has made a significant land and/or monetary contribution to the City's public facilities and who has stipulated the name as a condition of the donation;
6. An individual (living or deceased) who has contributed outstanding civic service to the City and who has not served in elected office for a period of at least one year.

II. Procedures for Naming Existing Facilities

The City does not normally rename existing parks, buildings, and other facilities. In the event that extraordinary circumstances result in the need to rename an existing facility, consideration shall primarily be given to:

1. An individual (living or deceased) who has made a significant land and/or monetary contribution to the City's public facilities and who has stipulated the name as a condition of the donation;
2. An individual (living or deceased) who has contributed outstanding civic service to the City and who has not served in elected office for a period of at least one year.

This Policy Shall remain in effect until modified by the City Council.

APPROVED:

DENNIS KENNEDY, Mayor



CITY COUNCIL STAFF REPORT

MEETING DATE: April 7, 2004

Agenda Item # 34

Prepared By:

**Council Services &
Records Manager**

Submitted By:

City Manager

CAMPAIGN STATEMENTS AND ELECTION COSTS

RECOMMENDED ACTION(S): Discuss and Direct whether the City should charge candidates for campaign statements.

EXECUTIVE SUMMARY:

Staff has requested that the Registrar of Voters provide the City with an “estimate” of what the election costs would be for the upcoming November 2, 2004 Municipal Election to fill the following seats: Mayor, 2 Council, City Clerk and City Treasurer. The Registrar of Voters provided staff with estimated costs for the November 2, 2004 Municipal Election based on each seat having two individuals seeking to serve in that office. The estimated election cost is \$38,841. This would equate to approximately \$3,884 being charged per candidate statement. Staff also inquired as to the cost for a ballot measure. The estimated cost for a single ballot measure which would include: the text of the measure, impartial analysis, arguments, and rebuttals is \$13,710. The 2004 election costs have increased due to the purchasing of electronic voting machines, amortized over a five-year period; and printing the ballots in five languages. Staff will note that the elected pay for Mayor is \$800 per month, Council \$300 per month, and City Clerk and City Treasurer \$200 per month.

Staff has researched whether prior City Councils considered charging candidates for the publication of campaign statements. Staff found that in all elections, councils made a decision that the City is to assume the cost of printing candidate statements in the voter pamphlet.

The Council is being asked whether the City should continue paying for candidate statements in light of increased election costs. A survey was conducted of cities within Santa Clara County to determine whether other cities charged their candidates for the cost of printing candidate statements. Of the 13 cities polled, 7 charged for candidate statements, 6 charging actual costs and 1 charging ½ the actual fee if the candidate limits campaign contributions to \$25,000. Should the Council decide that it would be appropriate to charge for candidate statements, these fees should be collected at time of filling nominations papers. If the fees are greater than the amount collected, candidates will be billed for the balance of fees. Should the cost be less than estimated, refunds would be made to the candidates. The vehicle to implement these charges will be in the resolution calling for the election.

In checking with the Registrar of Voters, an individual who is running unopposed could withdraw their candidate statement up to the day after the nomination period closes and be refunded their campaign statement fees.

In the case where there is an individual who is an indigent candidate, the City would be asked to pay for election costs. The City would ask individuals to submit a statement of financial worth.

FISCAL IMPACT: Elections are part of the democratic process and necessary to fill the Mayor, Council, City Treasurer and City Clerk seats, and on occasion, ballot measure(s). Should the Council agree to charge for all or a portion of the candidate statements, it will help offset election costs.